

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 88-6097-Cr-JUDGE ROETTGER

UNITED STATES OF AMERICA :

v. :

JACK TERRELL, et al :

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MOTION TO DISMISS THE INDICTMENT ON GROUNDS OF SELECTIVE  
PROSECUTION AND REQUEST FOR EVIDENTIARY HEARING

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The defendant, Jack Terrell, through counsel, respectfully requests this Honorable Court to enter an order dismissing the indictment on the grounds of selective prosecution. The prosecution of Jack Terrell was brought as a consequence of him helping to expose the most significant case of government wrongdoing since Watergate. Throughout 1984 and 1985, Jack Terrell worked with the Contras in their United States sponsored secret war against Nicaragua. In early 1986, Jack Terrell was approached by congressional and law enforcement investigators and asked to disclose what he knew regarding

the secret war. Terrell revealed that members of the National Security Council, the Central Intelligence Agency and the White House were engaged in massive violations of United States laws in connection with the Contra war. Terrell openly speculated to investigators that the Justice Department would attempt to cover up or stall any investigation that threatened to disclose the workings of the secret war.

As a result of Terrell exposing the N.S.C. network to investigators, he was targeted for retaliation. Terrell was surveilled, harrassed, and burglarized in an effort to silence him. When the efforts to silence him failed and after Congress had begun to investigate those persons Terrell had accused of wrongdoing, Justice Department officials convened this grand jury in a desperate attempt to deflect charges of a Justice Department coverup.

This prosecution is nothing less than an attempt to punish Jack Terrell for speaking out regarding the NSC-Contra war at a time this administration was struggling to keep the North network a secret from the American people.

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STATEMENT OF FACTS

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CMA - CENTRAL AMERICA

1. Mid 1983 - Civilian Military Assistance (CMA) was founded for the purpose of assisting anti-communists in a variety of places in Central America.

2. October 17, 1983 - CMA official Thomas Posey flew to El Salvador and registered with the American Embassy Consular Section indicating that he planned to stay in El Salvador for a period of ten to thirty days.

3. October 20, 1983 - Tom Posey went to the American Embassy in El Salvador and met with Major Charles McAnarney of MILGP (Military Group). The meeting was to discuss making contact with the Salvadoran Armed Forces in order to provide free military equipment to the Salvadorans.

4. October 21, 1983 - Tom Posey met with Major Ivan Padial of MILGP. At that meeting, Posey was provided the name and phone number of the El Salvadoran Armed Forces Logistics Chief. Later that day, Posey met with members of the El Salvadoran Armed Forces.

5. October 25, 1983 - The El Salvadoran Armed Forces G-4 section requested that the United States Military Advisers in the Embassy translate a letter from Tom Posey to Colonel Mario Reyes Mena, then Chief of Staff of the Salvadoran Armed Forces. In the letter, Posey informed Colonel Mena that CMA was prepared to donate equipment to the Salvadoran Armed Forces. The equipment included sixteen 30-caliber sniper rifles with ammunition and magazines, 30,000 rounds of ammunition for M-16 rifles, other assorted ammunition, 320 rucksacks, 640 uniform sets, and 320 pouches.

6. November 16, 1983 - Major McAnarney, Chief Logistics Officer for the United States Military Advisers in El Salvador, wrote Posey a letter assuring Posey that the CMA offer of assistance was not being frivolously considered. He also stated that if the United States Military Advisers in El Salvador could be of any further assistance to CMA, that CMA should not hesitate to contact them. (See Exhibit 1).

7. Early November, 1983 - CMA wrote and offered military assistance to the government of Honduras for the Contras. On November 25, Gustavo Alvarez Martinez, Chief of the Honduran Armed Forces, wrote back

to CMA, suggesting that CMA representatives visit Honduras in order to discuss ways of implementing the offer. In that letter, General Martinez suggested that CMA additionally contact the Honduran Defense Attache in the Honduran Embassy in Washington, D.C., in order to facilitate the CMA effort. (See Exhibit 2).

8. Early November, 1983 - Tom Posey, on behalf of CMA, contacted the Bureau of Alcohol, Tobacco and Firearms in Atlanta, and requested information regarding regulations governing arms transfers to the government of El Salvador. The Bureau responded that CMA would need an export license to do so.

9. January, 1984 - A State Department cable from the American Embassy in San Salvador to the Secretary of State in Washington related that military equipment had been sent by CMA to El Salvador and had been received by the El Salvadoran Armed Forces. The cable went on to state that the Embassy did not know whether or not the El Salvadoran Armed Forces had accepted the additional CMA offer of trainers. (See Exhibit 3a).

10. January 1984 - The Secretary of State cabled the American Embassy in Tegucigalpa, Honduras, and the American Embassy in El Salvador, to report that CMA

did not have a munitions export license necessary for the international shipment of arms. (See Exhibit 3b).

11. January 11, 1984 - Tom Posey and Dana Parker of CMA met with Captain Ron Glass, Assistant Military Attache to the United States Embassy in Tegucigalpa, Honduras. In the meeting, the group discussed how CMA could contact the Honduran Armed Forces. The CMA representatives stated that they were prepared to supply equipment and training in Honduras for two units. The meeting concluded with Captain Glass calling the Honduran Armed Forces Logistical Staff to convey the CMA offer. Additionally, he told CMA that the Honduran Military would contact them while they were in Honduras. At the same time, the Embassy in Tegucigalpa cabled the Secretary of State in Washington asking for information. (See Exhibit 3c).

12. After the Embassy meeting, the CMA representatives went on to a meeting with General Alvaro Martinez, the Honduran Armed Forces Commander. Additionally, through the Honduran Armed Forces, Enrique Bermudez, Military Commander of the Contras, wrote a letter to CMA indicating that the Contras were willing to accept all of the help that CMA could provide. (See Exhibit 4).

13. During this period of time, the State Department issued an advisory on its policy regarding private United States support abroad. The advisory indicated that the policy of the State Department was that the State Department would try to help United States citizens abroad, and if those individuals had a sincere desire to support United States policy, the State Department would have an added incentive in helping them. (See Exhibit 5).

14. Spring, 1984 - CMA began to actively assist the Contras with donations of equipment.

15. August 24, 1984 - a CMA delegation arrived in Tegucigalpa, Honduras. Most of the CMA members arrived by commercial air, however one piloted a single-engined Cessna which carried equipment for the Contras. No inventory was made of the equipment on the plane.

16. September 1, 1984 - James Powell and Dana Parker of CMA took off in a CIA-donated helicopter that had been armed at the CIA-controlled airbase at Aguacata. The helicopter was equipped with rocket pods and an M-60 machine gun. The helicopter, along with two fixed wing aircraft, was part of a Contra air attack on the

Nicaraguan base at Santa Clara. During the attack, the helicopter was shot down and both Jim Powell and Dana Parker were killed along with a Contra assistant. After the attack, the rest of the CMA delegation pulled back from the forward Contra bases.

17. September 1, 1984 - The CMA team met with the United States Ambassador to Honduras at a safe house. At that safe house, the Ambassador provided the CMA team with a fabricated story regarding what the Americans had been doing in Honduras. He told them to make up a cover story that the downed Americans had been on a humanitarian medical evacuation mission. The men were given this story by the Ambassador because the truth (that indeed Americans had been involved in combat inside Nicaragua) would have been detrimental to the United States interest. Subsequently, CMA held a press conference and announced that Parker and Powell had been shot down on a medical mission and that they had not involved in combat. Posey held to this cover story for a number of years. In his testimony to the Iran Contra Committee, Tom Posey claimed that the CMA pilots were on a medical evacuation mission. Additionally, in his first appearance before the grand jury, Posey also held to the cover story. On August 6, 1987, Posey finally admitted that the medical evacuation



story was a fabrication and that the truth was that the CMA pilots had been killed in combat. (See Exhibit 6).

18. September 20, 1984 - in the course of investigating a bombing, the Miami Police Department Intelligence Division interviewed several individuals, one of whom was later named in this indictment. From that investigation, the Miami Intelligence Officers prepared a report detailing the efforts of South Florida residents in assisting the Contras. The report detailed the movement of military trainers and equipment to aid the Contras. This report was furnished to the Intelligence Division of the FBI on September 26, 1984. (See Exhibit 7).

19. October 12, 1984 - The Boland Amendment was signed into law, thus restricting the CIA and other Intelligence Agencies from actively working with the Contras.

20. Late October, 1984 - Defendant Jack Terrell contacted Tom Posey of CMA and offered assistance.

21. Early November, 1984 - Jack Terrell traveled with a number of CMA representatives to the Contra camps in Honduras at Las Vegas and La Quinta. At the Contra camps, the CMA representatives met with Enrique

Bermudez, the Military Commander of the Contras, who assigned them specific duties on behalf of FDN. These duties included equipping and training the Contra forces. While in Honduras, Jack Terrell was given the name "Flaco." Additionally, the Contra commanders detailed their logistical and strategic needs to the CMA trainers. (See Exhibit 8).

22. Late November, 1984 - Jack Terrell and others returned from the Contra camps to the United States in order to coordinate the assistance to the Contras.

23. December 12, 1984 - Frank Camper, who ran the Recondo School for Mercenaries, and who was an informant for the Defense Intelligence Agency, filed a report detailing upcoming CMA-Contra missions. The Camper report, which was provided to Military Intelligence, previewed the future operations of CMA and the Contras, including planned deep penetration raids into Nicaragua. (See Camper testimony, page 33, Senate Foreign Relations Subcommittee hearing July 14, 1988). (See Exhibit 9).

#### WHITE HOUSE - NSC INVOLVEMENT

24. December 18, 1984 - Jack Terrell met in Houston with Rob Owen, John Hull and others, to discuss

upcoming CMA Contra missions. Rob Owen was introduced as the government liaison to the Contras and John Hull was introduced as the coordinator of the Contra forces in Costa Rica.

25. December 20, 1984 - The same people met again in Miami at Adolfo Calero's house, where CMA Contra operations were formalized.

26. Early January, 1985 - The CMA Contra meetings continued in Miami.

27. January 5, 1985 - Larry Spivey, a film producer, met with Tom Posey in Miami. After talking with Spivey, Posey agreed to meet with Spivey at the FBI office in Miami, Florida. At the FBI office, Spivey and Posey talked to FBI agent George Kiszynski. During this interview Spivey, in Kiszynski's office, called the White House and spoke to either Robert McFarlane or Colonel Oliver North of the National Security Council. (See Exhibit 10 re: Posey testimony). After the meeting with Spivey and Posey, Agent Kiszynski prepared and filed a report on the CMA operations. That report was provided by the FBI to Colonel North. (See Exhibit 11). Before the Kiszynski memorandum was telexed to Colonel North in Washington, Colonel North wrote in his notebook on January

5 that he had discussed with Contra leader Adolfo Calero both CMA and Jack Terrell. (See Exhibit 12).

28. January 11, 1985 - Posey flew to Washington, D.C. to meet with government officials in order to plan CMA operations. On January 13, FBI agent Gwynne Hupfer, an agent who had previously been working with Tom Posey, received a call from Larry Spivey, who was in Washington with Posey. Spivey indicated that it would be no longer necessary for that FBI agent to meet with Posey. In the conversation, Spivey indicated that unnamed members of the National Security Council had received the Kiszynski FBI memos and had complained that they should have been classified. Spivey went on to indicate that an FBI Assistant Director was following the Posey case closely and that President Reagan had openly stated that Tom Posey would never be prosecuted for violations of the Neutrality Act while his administration was in office. (See Exhibit 13).

29. January 14, 1985 - Tom Posey flew from Washington to Costa Rica to inspect the Contra bases on the ranch of John Hull. This inspection was made pursuant to discussions at Adolfo Calero's house earlier in January. Before leaving Washington, Tom Posey asked

Robert Owen for clearance to go to Costa Rica. Owen told Posey to proceed.

30. January 20, 1985 - Jack Terrell and other CMA representatives flew to Honduras in order to assist the Miskito Indians of Misura.

31. January 22, 1985 - The CIA station chief in San Jose, Costa Rica cabled the CIA headquarters regarding upcoming CMA operations on the southern front in Costa Rica and on upcoming arm shipments to be delivered to the Contras. (See Exhibit 14).

32. January 22, 1985 - Tom Posey was interviewed by Agent Hupfer of the FBI. During that interview, Posey admitted that he had met with individuals connected with the United States government when he had been in Washington with Spivey. During the interview, Posey expressed surprise that Agent Hupfer was still interested in Posey's activities. Posey stated that he had been assured in Washington that all investigations of CMA would be closed. (See Exhibit 15). Posey testified at the grand jury that, in fact, while in Washington, he had been promised that he would never be prosecuted, and that once Ed Meese was appointed, Attorney General Meese would take care of everything. (See Exhibit 16).

33. January 27, 1985 - Owen reported to Colonel North that Jack Terrell, "Flaco", was supposed to be back in Florida and that he had been in and out of Honduras and was going to be working with the Indians in Honduras.

34. January 31, 1985 - Rob Owen filed a report with North on "Flaco", and his operations with the Indians. The report discussed the training and equipping of the Indians. The report stated that "Flaco" had been meeting with Honduran officials in order to ensure his men would be able to return to Honduras. In the report, however, Owen suggested to North that they should attempt to remove "Flaco" from the operation. Owen stated that he was concerned that "Flaco" knew too much and it would do no-one any good if he went to the press. "He has got to be finessed out". (See Exhibit 17). Due to the covert nature of these operations and the sensitivity of the government regarding these operations, Owen did not suggest to Colonel North that law enforcement intervene to stop the operation.

35. The month of February, 1985 - Jack Terrell and others assisted the Miskito Indians in the Rus-Rus area of Honduras with training and operation.

## ARMS SHIPMENTS

36. March 1-5, 1985 - Additional CMA recruits were provided to CMA by Frank Camper of the Recondo School. The recruits were foreign soldiers financed by a Boston businessman, who stated that he had been paid by the CIA to have these men join CMA. Two of the foreign soldiers flew with John Hull in early March to the Contra CMA base in northern Costa Rica on John Hull's ranch. Also during this time period, weapons were gathered in South Florida for the CMA Costa Rican operation. Arms shipments were flown in early March from Fort Lauderdale to Ilopango airbase in El Salvador, where they were transshipped by El Salvadoran Air Force officers to air strips controlled by John Hull in Costa Rica. CIA cables reveal that the shipments arrived safely on Hull's ranch and were met by John Hull and Rob Owen. (See Exhibit 18).

37. March 15, 1985 - Jack Terrell and other members of the CMA team were told by Honduran army officials that they were going to be expelled from the country. They were taken to an airport and put on a plane out of the country.

38. April 25, 1985 - Five CMA soldiers were arrested by Costa Rican authorities for Neutrality violations. Tom Posey testified that after the incident he began sending money through Rob Owen to pay for an attorney and food for the five while they were in prison.

39. July 21, 1985 - The Miami Herald reported that two of the CMA soldiers in jail in Costa Rica had told reporters that there had been arms shipments flown from Fort Lauderdale, Florida to the Contras, and that they had accompanied those arms shipments into Central America.

40. November 12, 1985 - The United States Customs Service issued a final report on an investigation of possible international arms traffic by CMA. On that date, the case was closed, "due to the apparent lack of munitions violations." (See Exhibit 19).

41. January 7, 1986 - Jesus Garcia, a CMA supporter convicted on a gun charge in Miami, Florida, was interviewed by two FBI agents, Kevin Currier and George Kiszynski. Garcia told the FBI agents about CMA meetings in Miami and illegal weapons shipments from south Florida airports to the Contra rebels.



### FELDMAN INVESTIGATION

42. January 22, 1986 - Assistant United States Attorney Jeffrey Feldman, working in the United States Attorney's office in Miami, met with the two FBI agents that debriefed Mr. Garcia. Assistant United States Attorney Feldman began the investigation as a followup to his prosecution in the fall of 1985 of Jesus Garcia. At the January 22 meeting, the investigation focused on the illegal weapons shipments. The suspects at that time were Tom Posey of CMA, Bruce Jones, John Hall, John Hull, and Rene Corbo. (See Feldman Iran-Contra deposition, page 20).

### KERRY INVESTIGATION

43. Late January, 1986 - Upon receipt of information provided by Jesus Garcia and others, Senator John Kerry of Massachusetts began an investigation of Contra gun running and CMA.

44. Early February, 1986 - FBI agents Kiszynski and Currier continued their investigation and spoke to Assistant U.S. Attorney Feldman about impanelling

a grand jury. During this time period, Feldman testified that the names of Robert Owen and Oliver North had already surfaced in regards to CMA operations and Contra gun running. (See Feldman Iran-Contra deposition, page 44. See Currier Iran-Contra deposition, page 19.)

45. Mid February, 1986 - Senator Kerry assigned several staff members to follow up leads regarding the Contra gun running, in the hope of initiating a formal investigation by the Senate Foreign Relations Committee of which Senator Kerry was a member.

46. March 9-12, 1986 - Staff members from Senator Kerry's office flew to Costa Rica in order to interview imprisoned CMA members. During the interview, two of the imprisoned CMA members detailed the involvement of Robert Owen and John Hull in the Contra supply network. They related how Hull claimed to be financed by the NSC. They disclosed how they came to fight on behalf of the Contras and how they were recruited. They detailed the military actions they were involved with on behalf of the Contras, and how they were imprisoned subsequent to a raid inside Nicaragua.

WASHINGTON BEGINS TO MONITOR FELDMAN INVESTIGATION

47. Early March, 1986 - Assistant FBI Director Buck Revell directed the FBI field office in Miami to prepare a letterhead memorandum regarding the status of investigation into CMA and the Contra re-supply. In response to the request, FBI agent Currier began compiling a 38-page memorandum mentioning the suspects, including Robert Owen and John Hull, and the possible violations of law.

48. Mid March, 1986 - FBI agents in Miami received a 6-page telex from the New Orleans office of the FBI regarding Jack Terrell. Jack Terrell had contacted the FBI in New Orleans and had spoken to the FBI regarding activities in Central America.

49. March 14, 1986 - Leon Kellner, the Acting United States Attorney for the Southern District of Florida, spoke for the first time with Assistant U.S. Attorney Feldman regarding Feldman's Contra investigation. According to Feldman, Kellner wanted to know about the mercenaries in Costa Rica. According to Feldman, "Kellner wanted to know what we had. Apparently, Kellner had just

received a phone call from the Justice Department." Kellner expressed an interest in the case and told Feldman that he (Feldman) would be going to Costa Rica. (See Feldman Iran-Contra deposition, pages 26-27).

50. March 20, 1986 - Assistant FBI Director Revell sent a letter to Deputy Attorney General Lowell Jensen detailing the status of the Feldman Contra investigation.

51. March 24, 1986 - Assistant Attorney General Stephen Trott wrote a slip to Assistant Attorney General Mark Richard stating, "Please get on top of this. Jensen is giving a heads up to the NSC. He would like us to watch over it. Call Kellner, find out what is up and advise him that the decision should be run by you." (See Exhibit 20).

52. March 24, 1986 - Assistant Attorney General Lowell Jensen traveled to the White House to brief Admiral Poindexter of the National Security Council regarding the Feldman investigation. This was the first time that Jensen had ever actually traveled to the NSC to brief an individual, in person, on a status of a criminal investigation. (See Jensen Iran-Contra deposition, pages 54-55). At the Poindexter briefing, Jensen left

Poindexter a copy of the status report on the Feldman Contra investigation. (See Jensen Iran-Contra deposition, page 61). Jensen later testified that the briefing of Poindexter was ordered by Attorney General Meese.

53. March 24, 1986 - Jack Terrell agreed to be interviewed by two Associated Press journalists. During the interview, New Orleans FBI agents telephoned Terrell to set up an interview of Terrell with Feldman. During the conversation, the FBI agents told Terrell not to talk to anyone from Congress.

54. March 25, 1986 - Feldman and FBI agent Kiszynski met in New Orleans with Jack Terrell. Terrell freely talked about the activities of CMA and the Contra forces in Central America. Terrell discussed the Owen-Hull meetings and the meetings held at Adolfo Calero's house. During the interview, Terrell said he had heard that Feldman's investigation could be compromised due to "national policy interests" and there might be a coverup. (See Terrell FBI interviews.) The interview went on for over fourteen hours. At the end of the interview, Feldman thanked Terrell for speaking openly regarding CMA and told Terrell that he would be back in touch in order to discuss possibly using Terrell as a witness on behalf of the government.

55. March 26, 1986 - Assistant Attorney General Mark Richards called Leon Kellner and talked to him regarding the Feldman investigation. (See Exhibit 20). (See Richards Iran-Contra deposition, page 66.)

56. March 29, 1986 - Staff members assigned by Senator John Kerry to investigate allegations of Contra gun running flew to New Orleans and interviewed Jack Terrell. Terrell told the investigators that he had previously agreed to be a witness for the government and he had told the FBI about the activities of CMA, Hull, Owen, and the involvement of the National Security Council in the Contra war. During this interview, Terrell also agreed to be a witness for Senator Kerry at the Senate Foreign Relations Committee.

57. March 31, 1986 - Jeff Feldman, Kevin Currier, and George Kiszynski flew to Costa Rica in order to interview the imprisoned CMA members. Upon arrival they went to the United States Embassy, where they were told that Ambassador Lewis Tambs wished to meet with them. Feldman was told by embassy staff that he should tell the Ambassador everything he knew. During the meeting, Feldman showed the Ambassador a chart regarding the criminal activity and his principal targets. The top of

the chart was North, second was Owen, and the third person was Hull. Upon seeing the chart, the Ambassador turned white and called in the CIA station chief, Joe Fernandez. (See Feldman Iran-Contra deposition, page 50.) Fernandez came into the meeting and told Feldman that John Hull knew both Robert Owen and Oliver North, and that North was the person that had introduced Fernandez to the President. (See Feldman Iran-Contra deposition, page 53). After listening to Fernandez, Feldman came to the conclusion that the CIA station chief was suggesting that he go after Rene Corvo and that the others - North, Owen and Hull - should be left alone. (See Feldman Iran-Contra deposition, page 56.)

#### N.S.C. MONITORS FELDMAN

58. March 31, 1986 - Col. North wrote in his notebook that he had received a call from "deleted" and then the note read "Assistant United States Attorney and two FBI agents, Rene Corbo, Jack Terrell (Flako), CMA-guns". (See Exhibit 21).

59. April 1, 1986 - Feldman and the FBI agents interviewed the imprisoned CMA members. The CMA members told them about arms shipments, about John Hull,

and about the involvement of Robert Owen and the NSC. (See Feldman Iran-Contra deposition, page 56 through 64).

60. April 3, 1986 - John Hull called Feldman at the hotel in San Jose and informed him that he would not meet with him pursuant to the advice of counsel. Later that day, Embassy employee Kirk Kotula told Feldman that he advised Hull not to talk to the investigators. Also, Embassy Vice Consul Paul Fitzgerald told Feldman that Hull had previously gone to the Embassy, met with the Ambassador, and had spoken to the National Security Council regarding the investigation. (See Feldman Iran-Contra deposition, page 58; Currier Iran-Contra deposition, page 35.)

61. April 7, 1986 - Robert Owen sent a memo to Oliver North concerning the Feldman FBI investigation into the secret war. Owen related that Feldman was looking at the big picture. Owen went on to state in his memo that if he was contacted by the FBI, he would refuse to answer all questions. (See Exhibit 22.)

62. April 10, 1986 - Senator John Kerry issued a press statement stating that his staff had been investigating CMA and Contra gun running, and that the allegations were serious and it was vital for Congress to



fully investigate these matters in order to uncover the truth. On April 11, the Associated Press released an article stating that the Feldman investigation focused on illegal shipments of weapons from New Orleans and South Florida to the Contras in Honduras and Costa Rica. The article named Terrell as a possible witness for the federal investigation.

#### WASHINGTON INTERFERES IN FELDMAN INVESTIGATION

63. April 11, 1986 - John Poindexter convened a staff meeting of senior representatives of the National Security Council to discuss the FBI story on drugs and gun running by the Contras. (See Poindexter Exhibits.)

64. April 12, 1986 - Attorney General Edwin Meese traveled to Miami in order to visit injured FBI agents. During the visit, Meese met with Kellner and talked about the Feldman investigation.

65. April 23, 1985 - Senator Lugar, Chairman of the Senate Foreign Relations Committee, announced an agreement to hold hearings for Senator Kerry regarding Kerry's charges of CMA and Contra gun running. Pursuant to that announcement, Senator Lugar assigned staff member

Bill Perry and Rick Messick to coordinate the investigation.

66. April 24, 1986 - The Boston Globe reported that the Senate Foreign Relations Committee would investigate charges of illegal exportation of weapons and numerous other violations committed by the Contras and CMA.

67. Mid April - May 20, 1986 - Jeff Feldman was told by Leon Kellner to draft a memorandum regarding the status of his investigation and the evidence that he had to date.

68. April 25, 1986 - Col. North wrote in his notebook, "Jesus Garcia, the individual cooperating with the FBI, re Tom Posey and John Hull."

69. April 28, 1986 - Feldman submitted the first draft of his prosecution memorandum to Kellner. Kellner responded that the memorandum was not detailed enough. (See Feldman Iran-Contra deposition, page 77.) Kellner later testified that he had requested the memorandum in order to send it to Washington and that he had wanted the memorandum to be clear. (See Kellner Iran-Contra deposition, page 35.)

70. April 30, 1986 - Jeff Feldman told FBI agent Kevin Currier that Kellner had told him that a recommendation for a grand jury would be premature. (See Currier Iran-Contra deposition, page 44.)

#### DISINFORMATION

71. May 1, 1986 - The Justice Department told Associated Press that there was no substance to gun running charges. Pat Korton, Public Affairs Officer for Attorney General Meese, told AP that the U.S. Attorney and the FBI had concluded an investigation and investigated a number of charges and found that none of them had any substance. Korton then placed the blame on Senator Kerry for making much ado about nothing.

#### TERRELL BEGINS SPEAKING OUT

72. May 5, 1986 - National Public Radio aired a report concerning the Kerry investigation. The report named Col. North and officials at the National Security Council as coordinators of the Contra re-supply. The report also included a statement by Jack Terrell regarding the involvement of CMA and the National Security Council in the secret war. The story ended stating that the Kerry

investigation could also be looking into the issue of obstruction of justice.

73. May 6, 1986 - A closed door meeting was held at the Senate Foreign Relations Committee regarding the Kerry staff investigation. At the meetings were representatives of the Justice Department, FBI, CIA, State Department, and DEA.

74. May 6, 1986 - The New York Times printed a piece that, according to Justice Department sources, the allegations from Miami regarding gun running were false, and that no further investigation was contemplated.

75. May 12, 1986 - John Hull, the Contra-NSC liaison in Costa Rica, wrote the FBI to advise them that he had been informed that the investigation against him had been dropped for lack of evidence.

76. May 14, 1986 - FBI agent Currier and Jeff Feldman discussed the prosecution memorandum. They concurred that the conclusion should request a thorough grand jury investigation. (See Feldman Iran-Contra deposition, page 78).

77. May 14, 1986 - The first draft of the Feldman's prosecution memorandum discussed the political problems related to a prosecution of the Contras. (See Feldman Iran-Contra deposition, page 80.)

78. May 20, 1986 - Leon Kellner, Jeff Feldman, and Kellner's Special Counsel Larry Sharf, met to discuss Feldman's memorandum. Kellner told Feldman to change the conclusion to state that a grand jury would be premature and that more background work was needed. At that point, according to Feldman's testimony, he "questioned in his own mind whether or not there was some fishy business going on". (See Feldman Iran-Contra deposition, page 86.)

79. June 1, 1986 - The Miami Herald printed a story revealing that a special investigative unit had been set up within the House Judiciary Committee. The Committee was to investigate CMA and Contra gun running. The Committee also would be investigating the role of North and the NSC in support of the Contras. In the article, the Justice Department stated that there had been no attempt to slow down any investigation regarding the Contras.

FELDMAN INVESTIGATION STALLED

80. June 2, 1986 - Feldman was given a long work assignment involving heroin originating in Thailand. (See Feldman Iran-Contra deposition, page 92.) Feldman's new assignment prevented him from further pursuing the Contra investigation. No other Assistant United States Attorney was assigned to take over the Contra probe.

81. July 2, 1986 - On directions from Leon Kellner, Special Counsel Larry Scharf changed Feldman's memorandum. He inserted a conclusion that stated that a grand jury investigation at that point would only represent a fishing expedition with little prospect that it would bear fruit. These changes were made without Feldman's permission, nor was Feldman even shown the changes in his own memorandum. The revised memorandum was then taken by Leon Kellner. (See Feldman Iran-Contra deposition, page 92-94).

82. June 3, 1986 - Leon Kellner sent the Feldman prosecution memorandum to the Justice Department in Washington. He later testified that the reason he sent the memorandum to Washington was in order to provide the Justice Department with information with what was going on. (See Kellner Iran-Contra deposition, page 49.)

FELDMAN'S ALTERED MEMO IS LEAKED

83. Mid June, 1986 - Rick Messick, staff member to Senator Lugar, prepared material for a closed door meeting of the Senate Foreign Relations Committee scheduled for June 25. Messick somehow obtained a leaked copy of the Feldman memorandum even though the memorandum was marked sensitive. Messick took sentences line for line from the stolen Feldman memo and utilized the information to refute the Kerry allegations.

84. June 25, 1986 - Senate Foreign Relations Committee held closed door sessions regarding the Kerry allegations. Senator Lugar announced that he had ordered a staff inquiry to review the allegations. No formal hearings were to be held at that point.

85. June 25, 1986 - Jack Terrell, on the CBS news program West 57th Street, spoke openly regarding Contra activities on the Hull ranch in Costa Rica, stating that he knew Robert Owen was acting on behalf of Col. Oliver North. He went on to state that the NSC was involved in assisting the Contras. After the CBS piece aired, Secord and North decided to use their security

apparatus (Robinette, a former CIA technical services employee, now a private investigator), in an attempt to determine how much Terrell knew about their operations.

TERRELL TARGETED

86. July 10, 1986 - Oliver North wrote in a schedule book, "Robinette, 9:30 meeting" "Secord payment to Robinette."

87. July 11, 1986 - Oliver North schedule book reflected that Glen Robinette, the security officer working for North and Secord, was to meet Jack Terrell and 1711 Massachusetts Avenue. The next day, on July 12, 1986, Oliver North's notebook reflected Robinette meeting again Terrell.

88. Mid July, 1986 - Glen Robinette met with Washington FBI agents regarding Terrell. Robinette told the agents he did not want the FBI to consider him merely a "plumber for the White House."

89. July 17, 1986 - Col. North wrote a memorandum to John Poindexter of the National Security Council labeling Jack Terrell a terrorist threat. The



memo stated that Terrell had been working closely with various Congressional staffs in preparing for hearings and inquiries regarding the role of United States government officials in illegally supporting the Nicaraguan resistance. North noted that Terrell had appeared on a CBS news program, "West 57th Street," and that project democracy officials had decided to use their security apparatus to attempt to determine how much Terrell actually knew about the operations. The North memorandum reflected that North had spoken to Buck Revell. The North memorandum concluded with a recommendation that Poindexter speak to the Attorney General and the President regarding Terrell. At the bottom of the memorandum, Poindexter replied that he wanted another memo regarding Terrell for the President, and that he wanted to know what Ollie wanted him to tell the Attorney General.

90. July 18, 1986 - FBI director Webster's office wrote a secret report regarding Jack Terrell. The report stated that Terrell was first interviewed by the FBI on March 5, 1986, because he was a witness cooperating in a Neutrality investigation. The memo reported that the investigation concerned the activities of Civilian Military Assistance including the smuggling of weapons from South Florida into Central America on behalf of the Contras and the smuggling of narcotics. The FBI memo went

on to state that Terrell was planning to travel to Washington, D.C., to testify at a congressional committee hearing. On July 18, 1986, Glen Robinette (security officer for North and Secord) met Terrell again offering him money and hinting to Terrell that he should leave Washington.

91. July 18, 1986 - The FBI office in Washington began reviewing news programs where either Terrell had appeared and/or North and the secret war had been discussed. (See Exhibit 23).

92. July 19, 1986 - An entry in Glen Robinette's notebook reflected on that day he spoke to Buck Revell, the Assistant Director of the FBI.

93. July 22, 1986 - Col. North was interviewed by two members of the Washington FBI field office regarding Jack Terrell. North told the FBI agents that Terrell was to be a witness in a civil suit. North also told the agents that Terrell had given information to Senator Kerry's staff and that Terrell's name had surfaced in connection with a staff investigation being conducted by Senator Kerry. North told the agents that he was aware of Glen Robinette's investigation of Jack Terrell.

94. July 25, 1986 - North wrote a memorandum to John Poindexter again regarding the terrorist threat, Jack Terrell. The memo stated that Terrell's testimony was used in a civil suit in Costa Rica and had been also used in a Florida lawsuit against Richard Secord. North told Poindexter that after the West 57th Street piece, Project Democracy officers had used their security apparatus to target Terrell and find out what he knew. One of the officers, Robinette, met with Terrell several times. North went on to state that Assistant FBI Director Buck Revell had talked to North regarding a possible assassination attempt against the President, and that Terrell was somehow linked to this threat. The memo noted that Terrell was under active surveillance by the FBI during this period of time. North went on to note that Terrell had been part of what appeared to be a larger operation being conducted against the pro-Contra legislative effort. According to North, they had not pursued the investigation because of its political implications.

95. July 27-28, 1986 - Terrell traveled to Miami. While in Miami, he was kept under constant surveillance. On July 28, FBI agents surreptitiously entered and searched the room where Terrell had been staying. (See Exhibit 24).

96. July 28, 1986 - John Poindexter wrote a memorandum to the President, which the President read and initialed, regarding Jack Terrell. The memorandum discussed the background of Jack Terrell and his involvement with various congressional staffs. The memo concluded by noting that Terrell had been one of the principal witnesses against the Contras and that his charges were at the center of Senator Kerry's investigation at the Senate Foreign Relations Committee. (See Exhibit 25.)

FBI AGENT CONCLUDES THERE IS JUSTICE DEPARTMENT  
FOOTDRAGGING

97. July 31, 1986 - Kevin Currier, the FBI agent investigating CMA, submitted a 200-page prosecution memorandum to Feldman regarding the status of the investigation. According to Currier, the report described the violations and the evidence and the witnesses the FBI had spoken to. Currier wrote the report in order to try to force the hand of the U.S. Attorney. Currier testified that nothing happened in response to the report. Nothing. According to Currier, Kellner told Feldman to do nothing on the case until he made a decision on the report. The

U.S. Attorney's office was dragging its feet on this matter. "We frequently went to Feldman's office to pressure Feldman to make a decision, even calling two or three times a week. Nothing was done." (See Currier Iran-Contra deposition, page 48, 49.)

98. August 1-15, 1986 - The Currier 200-page FBI memorandum sat in the U.S. Attorney's office. No action was taken.

99. August 18, 1986 - Jeff Feldman presented the Currier memo to Leon Kellner stating that there was enough evidence to go forward because of the admissions of some of the defendants regarding the arms shipments. Kellner merely put a yellow sticker on the memorandum and sent it to another person in the office. (See Kellner Iran-Contra deposition, page 54.)

100. August 18, 1986 - Feldman testified that Kellner told him that he had not yet read the memorandum drafted on July 31, and that he was not going to make a decision because he had not read it yet. (See Feldman Iran-Contra deposition, page 104.)

101. Surveillance of Jack Terrell ended by the FBI after he passed two polygraph tests administered by the Secret Service regarding threats concerning the President.

102. August 19, 1986 - Robinette noted in his schedule book to call Terrell regarding lunch.

103. Mid August, 1986 - According to Feldman, during this time, the FBI agent Currier was pressuring Feldman to get a response. According to Feldman's testimony, Currier was adamant. Feldman testified that Currier believed there was impropriety and during this period of time, Currier was putting the pressure on because Currier really wanted a grand jury. According to Feldman's testimony, Currier threatened to take the footdragging matter above Kellner's head to headquarters.

104. Late August, 1986 - According to Feldman's testimony, Kellner had still not given him an answer. During this same time period, Currier testified that he had complained through the FBI hierarchy in order to try and get the U.S. Attorney to change his position and recommend a grand jury be convened. (See Currier deposition, page 47.) In order to try and force the hand

of Kellner, the FBI submitted a 200-page prosecution report to Feldman. According to Currier, after he submitted the 200-page prosecution report to Feldman still nothing happened. As time went by, nothing was happening and at that point, Currier testified he started to telephone his supervisors in Washington at headquarters letting them know that the U.S. Attorney's office was in fact dragging their feet. When Currier called Washington FBI headquarters, he asked them to go directly to the Justice Department to see if they could force the United States Attorney's office to take action in the matter.

105. August 29, 1986 - Feldman went to Kellner for the fourth time in August telling Kellner, "I have to know" regarding whether or not a grand jury can be convened. It was on that day that Feldman had reason to believe there was wrongdoing. On that day, he told Kellner that indeed the FBI agents had been waiting, that they wanted to know, that they were being persistent. At that point Kellner told Feldman to sit on the case until he got back from Washington because Politics were involved. Feldman testified that he was upset because Kellner had told him in April that politics were not a consideration. Feldman then stated that he asked Kellner, "why are you telling me politics are involved when you told me politics aren't a factor to consider?" According

to Feldman, Kellner replied that, "politics aren't a factor for you to consider but they are a factor for me to consider." (See Feldman deposition, page 105.) At that point, Feldman called his father-in-law, a lawyer and former judge in Miami, because Feldman anticipated that at one day he might be a witness regarding those statements made by Kellner. (See Feldman deposition, page 107.)

106. September 1-5, 1986 - Kellner went to Washington and met with Justice Department officials regarding allegations made by Contra supporter John Hull regarding Senator John Kerry. On September 3, Kellner met with Assistant Attorney General Mark Richard and handed him affidavits provided by Contra supporter John Hull. According to Mark Richard's testimony, Kellner said that the affidavits provided by John Hull vindicated his assessment of Senator Kerry and Kerry's investigation. (See Richard deposition, page 89.)

107. September 5, 1986 - According to Feldman, Kellner returned to Miami from Washington, however, Kellner never got back in touch with Feldman regarding the proposed grand jury investigation. Feldman testified that he did not say a word to Kellner; the only person he reported this chain of events to was his father-



in-law so he would have a witness. (See Feldman deposition, page 108.)

108. Mid September, 1986 - According to Feldman, the FBI agents continued to pressure him to get a grand jury convened. Feldman, however, concluded that indeed Kellner had made a decision by indecision and at that point he was prepared not to hear anything else about this case ever again. "I just thought that it was put out to pasture." In Feldman's own words, "after August 29, the case was dead." (See Feldman deposition, page 108, 109.)

109. Mid September, 1986 - Jack Terrell continued to speak freely to journalists and congressional investigators regarding Contra activities in Central America. Terrell also spoke to investigators for the Senate Foreign Relations Committee and to numerous journalists regarding attempts to cover up the truth regarding Contra activities. In several interviews, Terrell accused the Justice Department of deliberately covering up the involvement of government officials in the secret war. During this time, Justice Department officials were well aware of Terrell's comments regarding the Justice Department cover up. As early as March, 1986, Terrell had openly talked of a Justice Department cover

up. In one of his first interviews with the FBI in March 1986, Terrell specifically related that there were concerns that the Justice Department would stop or cover up the truth regarding the Contra war for "national security reasons." (See Terrell FBI 302, March 25, 1986.)

110. September 30, 1986 - Oliver North wrote in his notebook, "meeting with John Hull and Rob Owen." Under that notation, North wrote that Terrell had given another taped interview.

111. October 10, 1986 - Eugene Hasenfus was shot down over Nicaragua. Despite the secret war becoming public, no grand jury was convened in Miami.

112. October 15, 1986 - Col. North wrote in his notebook that he had received a call from Rick Messick (formerly Senator Lugar's staff member). The notation discussed the closed door Senate Foreign Relation Committee meeting where the Terrell allegations had been discussed.

113. Mid October, 1986 - Terrell continued to speak out regarding the secret war, that was now being discussed more openly. Terrell granted several interviews where he specifically alleged that the Justice Department

had protected the network by suppressing the Feldman investigation.

114. October 14, 1986 - Senator John Kerry released a staff report regarding private assistance and the Contras. Much of the report covered material provided to the Senator's staff from Jack Terrell. The report detailed the activities of CMA and the Contras in Honduras and Costa Rica. Following the release of the report, journalists again raised the issue of why the Feldman investigation seemed to have died in the U.S. Attorney's office. Additionally, according to Assistant Attorney General Mark Richard, during this time period, Kellner was angry because he was getting hit with press inquiries regarding the secret war. (See Richard deposition, page 106.)

#### COVERUP OF SECRET WAR BEGINS TO UNRAVEL

115. October, 17 1986 - Members of the House Judiciary Committee wrote a public letter calling for a special prosecutor to be appointed to criminally investigate the secret war and efforts by government officials to protect the secret network from exposure.

116. Early November, 1986 - Feldman finally received authorization to convene a grand jury. Numerous members of Congress called for the appointment of a special prosecutor to investigate the Iran-Contra scandal. Additionally, legislators called for a criminal investigation of the conduct of Justice Department officials in their covering up the evidence regarding the secret network.

117. November 29-30, 1986 - The International Center for Development Policy in Washington, D.C., where Jack Terrell was working, was burglarized. The only items taken were Terrell's files on Southern Air Transport, an airline working for the North Second network.

118. January, 1987 - The independent counsel was appointed and reviewed the Miami Contra cases and decided to leave the CMA investigation with the United States Attorney's office in Miami.

119. Spring, 1987 - Lawrence Walsh's office of the independent Council began an investigation of the U.S. Attorney's office in Miami, Florida. Leon Kellner and others in the office were interviewed regarding possible obstruction of justice. Attorney General Meese was also interviewed and subsequently put before the Walsh

grand jury which questioned him regarding his handling of the Miami Contra investigation.

120. Spring, 1987 - The House Judiciary Committee Crime Subcommittee began an investigation of the coverup of the secret war. The probe included an investigation into the conduct of Justice Department officials.

121. July, 1988 - Of the thousands of people that actively participated in the secret war against Nicaragua over the period from 1981 to 1988, Jack Terrell and seven others were the only persons indicted for violations of the Neutrality Act. Col. North, Richard Secord, Albert Hakim, and others were not indicted for Neutrality violations.

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MEMORANDUM OF LAW

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Jack Terrell spoke freely regarding the NSC-Contra war at a time when the war was a secret. The government targeted him in order to silence him and then indicted him in order to punish him. This case is a classic example of selective prosecution.

Selective enforcement of the law was first held unconstitutional in the landmark case of Yick Wo v. Hopkins, 118 U.S. 356 (1886). The Supreme Court found that San Francisco's enforcement of an ordinance prohibiting laundries in frame buildings was largely only enforced against Chinese-Americans. Mr. Justice Matthews announced the applicable rule:

Though the law itself "be fair on its face and impartial in appearance...if it is applied and administered by public authority with an evil eye and an unequal hand, so as practically to make unjust and illegal discriminations between persons in similar circumstances, material to their rights," there is a denial of equal protection of the laws under the fourteenth amendment. Id. at 373-74.

Further comment on selective enforcement of the law was rendered by the Supreme Court in Snowden v. Hughes, 321 U.S. 1 (1944). In Snowden, the Court noted that "unlawful administration by state officers of a state statute fair on its face, resulting in its unequal application to those who are entitled to be treated alike, is not a denial of equal protection unless there is shown to be present in it an element of intentional or purposeful discrimination." Id. at 8.

Although the facts with respect to noise and congestion at the sixteen (16) approved ceremonies were not fully developed, there is enough in

the record to show unequal and oppressive application of the Regulations to these defendants.

In 1972, the Ninth Circuit in United States v. Steele, 461 F.2d 1148 (1972), confronted the issue of prosecutorial selectivity. In Steele, the defendant was one of several persons who publicly led and participated in a census resistance movement urging the public to not comply with census requirements. Steele and three others were singled out for prosecution as hard core resisters. At trial Steele proved that at least six (6) other persons had also refused on principle to complete the census forms, but were not prosecuted.

The Court began its analysis with the principle established in Yick Wo and held that "a defendant cannot be convicted if he proves unconstitutional discrimination in the administration of a penal statute," citing Two Guys from Harrison-Allentown, Inc. v. McGinley, 366 U.S. 582 (1961). The Court noted that "an enforcement procedure that focuses solely upon the vocal offenders is inherently suspect." Steele at page 1152. The Court also acknowledged that a prosecutor is entitled to some discretion and selectivity with regard to the cases pursued by his office.

However, a prosecution must be barred if the defendant can prove that the

selection was deliberately based on an unjustifiable standard such as race, religion, the exercise of First Amendment rights or other arbitrary classifications.

Id. at 1151.

Steele's conviction was reversed.

In 1973 the Seventh Circuit in United States v. Falk, 479 F.2d 616 (7th Cir. 1973), citing to Steele, reversed the conviction of the defendant holding that an unlawful and discriminatory purpose had precipitated his indictment. The defendant was found guilty of failing to possess a selective service registration card and failing to possess his draft classification.

Defendant Falk contended that the prosecution sought the indictment against him for the improper purpose of chilling the exercise of rights guaranteed by the First Amendment and to punish him for participation in a draft counseling organization. The trial judge denied his Motion to Dismiss without holding an evidentiary hearing. The Seventh Circuit held that Falk was entitled to a hearing on his charge of an improper purpose underlying the prosecution and reversed and remanded. The Court's final comments were to express:

disapproval of the too frequent and too easy practice of simply dismissing



all allegations of illegal discrimination in the enforcement of criminal laws with a reference to Oyler v. Boyles, 368 U.S. 448 (1962), and its statement that the conscious exercise of some selectivity in the enforcement of laws does not violate the Constitution. That correct principle does not in any case answer the question whether selective enforcement in a given case is invidious discrimination which cannot be reconciled with the principles of equal protection. Falk, supra, at page 624.

In 1970, the Second Circuit set forth the elements required to prove selective prosecution, in the case of United States v. Berrios, 501 F.2d 1207 (2nd Cir. 1974). The defendant in Berrios was charged with holding a union office within five years after a felony conviction. The case alleged that he was singled out for prosecution because of his outspoken support for the Democratic Party's presidential candidate who opposed former President Nixon in the 1972 election. The Court ruled that to establish a prima facie case of selective prosecution the defendant must show:

- (1) that others similarly situated generally have not been prosecuted for conduct similar to defendant's, and
- (2) that the government's discriminatory selection was based on impermissible grounds such as race, religion, or the exercise of constitutional rights. Id. at 1211.

The Court referred to these two elements as "international and purposeful discrimination" citing Snowden v. Hughes, supra. This two-prong test has been adopted in a majority of the federal circuits.<sup>1</sup>

In 1985, the Supreme Court addressed the defense of selective prosecution directly for the first time in Wayte v. United States, 105 S.Ct. 1524 (1985) and affirmed its validity.

Wayte, a draft protester, claimed that the government prosecuted him for failing to register for the draft because of his vocal stand against the draft. While the court affirmed the conviction of Wayte, it delineated the grounds for a valid claim of selective prosecution. The court held that although prosecutorial discretion is broad, it is not unfettered.

Selectivity in the enforcement of criminal laws is .... subject to constitutional constraints. See,

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<sup>1</sup> United States v. Stout, 601 F.2d 325, 328 (7th Cir.), cert. denied, 444 U.S. 979 (1979); United States v. Johnson, 577 F.2d 1304, 1308 (5th Cir. 1978); United States v. Bourque, 541 F.2d 290, 293 (1st Cir. 1976); United States v. Leggitt & Platt, Inc. 542 F.2d 655, 658 (6th Cir. 1976), cert. denied, 430 U.S. 945 (1970); United States v. Oaks, 527 F.2d 937, 940 (9th Cir. 1975), cert. denied, 426 U.S. 952 (1976).

United States v. Batchelor, (footnote omitted.) In particular, the decision to prosecute may not be 'deliberately based upon an unjustifiable standard such as race, religion, or other arbitrary classification,' Bordenkircher v. Hayes, *supra*, 434 U.S. at 364, 98 S.Ct. at 668, quoting Oyler v. Boles, 368 U.S. 448, 456, 82 S.Ct. 501, 505, 7 L.Ed.2d 446 (1962) including the exercise of protected statutory and constitutional rights, see U.S. v. Goodwin, *supra*, 457 U.S. at 372, 102 S.Ct. at 2488.

Wayte, at 1531.

The court set forth a two-pronged test to judge selective prosecution claims and articulated that the defense should be judged according to ordinary equal protection standards. Wayte, at 1531.

I. The first prong that must be satisfied under Wayte is that the petitioner must establish a prima facie case that others similarly situated generally had not been prosecuted for conduct similar to the petitioner's. See Wayte at 1529. However, "what does it mean to be similarly situated?" Some commentators have stated that "similarly situated" means that the petitioner must offer evidence regarding others involved in the same or similar activities. Thus, the others not being prosecuted must be engaged in basically the same act as the defendant,

thereby committing the same crime for violating the same statute.<sup>2</sup>

According to the author of Prosecutorial Discretion, the common thread in all of the cases is a showing that the government or prosecutor with the knowledge that other people are engaged in substantially the same conduct as the defendant or class of defendants and thus violating the same statute does not prosecute the others but instead singles out the defendant for prosecution. See, Prosecutorial Discretion, at 52.

Other commentators have suggested when a charge brought is unusual, either because other known violators have not been prosecuted or because the violated statute is rarely enforced, a defendant may seek to have the prosecutor's exercise of charging discretion closely examined.<sup>3</sup>

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<sup>2</sup> In Prosecutorial Discetion and Discrimination in the Decision to Charge, by Amy Grossman Applegate, Temple Law Quarterly, Vol. 55, page 35 (1982), the author points out tht the concept of persons "similarly situated" was first developed in a line of cases involving the Sunday closing laws. Specifically, see Zayre of Georgia, Inc. v. City of Atlanta, 276 F.Supp. 892, see Applegate, at 48.

<sup>3</sup> See, Prosecutorial Intent in Constitutional Procedure, Steve Reiss, University of Pennsylvania Law Review, [Vol. 135: 1365 (1987)].

In the case at bar, the defendant has been charged with violation of the Neutrality statutes. This statute, first passed in 1794, has rarely been enforced. In the 20th century the statute was not brought to bear against those participating in the Korean war, the Bay of Pigs invasion, the Viet Nam war, the wars in Laos, Angola, and other places.<sup>4</sup>

The defendant, though, is charged with a violation of the Neutrality Act concerning his activities on behalf of the Contras in Central America. The war in Nicaragua began in 1981. To date, thousands of persons have participated in that war. Many of the participants based their operations here in the United States. However, during the entire eight-year period of the war, not a single person outside of the defendant and his codefendants have been prosecuted under the Neutrality Act for their role in a U.S. sanctioned war. Notably, the principal conspirators in the Contra war have not been charged by special prosecutor Lawrence Walsh with Neutrality violations.<sup>5</sup> In the case of the Contra war,

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<sup>4</sup> For a historical overview of the Neutrality statute and its rare utilization, see At Peace Motion previously filed in this court by the defendant. As that motion detailed, there has been over 118 actions since 1810 where there was no declaration of war and the participants were not held criminally liable under the Neutrality Act.

<sup>5</sup> See indictment against North, Secord, Hakim, et al.

there have been over hundreds of witnesses who have testified under oath that they actively participated in the war against Nicaragua and their participation originated on United States soil. The defendant would ask this court to take judicial notice of the 27 volumes of Iran-Contra depositions and more than 30,000 pages of transcripts of witnesses active in the Contra operation.<sup>6</sup> Some of the more prominent participants deposed by the Iran-Contra Committee and not indicted for Neutrality violations are, among others, James Bastian, Adolfo Calero, Clair George, Alan Fiers, Charles Cooper, Joseph Coors, Robert Dutton, Robert Earl, Richard Gadd, Ellen Garwood, Joe Fernandez, Eugene Hasenfus, Sam Hall, Nelson Bunker-Hunt, William Langton, Robert McFarlane, Barbara Newington, Ronald Martin, James McCoy, Oliver North, Robert Owen, John Hull, John Poindexter, Felix Rodriguez, Alfonso Robelo, Enrique Bermudez, Richard Secord, Theodore Shackley, John Singlaub, Col. James Steele, Richard Thompson, and William Walker. These are just a few of the hundreds interviewed by the Iran-Contra Committee that admitted their involvement. Some have admitted it more publicly than others. Eugene Hasenfus, for instance, in

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<sup>6</sup> See, the House Select Committee to Investigate Covert Arms Transactions with Iran and the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition.

televised interviews on Sixty Minutes and other News programs, freely admitted that he was hired to participate in the war against Nicaragua. Others, including Sam Hall, have written books on their military activities in Central America and these books even include photographs of them in combat against Nicaragua. However, not one of the Iran-Contra participants have been charged with Neutrality violations.<sup>7</sup>

While many of the people interviewed by the Iran-Contra Committee involved themselves in different activities than that of the defendant, i.e. aerial supply, logistical support from the United States, or fundraising, their conduct all fall within the broad sweep of the Neutrality Act or conspiracy to violate the Neutrality Act. One does not necessarily have to engage in combat to fall within the jurisdiction of the Neutrality prohibitions. The Neutrality statute states that:

"whoever, within the United States, knowingly....provides or prepares a means for....any enterprise to be carried on....against any foreign state with whom the United States is at peace:" shall be in violation.

Title 18, United States Code, Section 960.

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<sup>7</sup> Counsel who has investigated this issue since 1985 has been told by government officials involved in this investigation that no more indictments are planned.

The list of people that participated in the war against Nicaragua who have not been prosecuted is not a list merely of persons suspected of committing acts in violation of the Neutrality statute. These are persons who have given sworn testimony before Congress, and through their own statements admit violations of the Neutrality status.

II. The second element held by the Wayte court as necessary in order to make a claim of selective prosecution is a showing of individual or bad faith prosecution. See Wayte, at 1531.. Simply put, the defendant must show that the government's discriminatory selection was based on impermissible grounds such as race, religion, or the exercise of constitutional rights. See Wayte, at 1529. The Wayte holding prohibits the government from prosecuting defendants for exercising constitutionally protected rights. This umbrella of constitutional protections safeguards individuals who choose to exercise their first amendment right by "speaking out." As Judge Bazelon stated in Dixon v. District of Columbia, 394 F.2d 966, 968 (D.C. Cir. 1968):

The government may not prosecute for the purpose of deterring people from exercising their right to protest official misconduct and petition for



redress of grievances. Moreover, a prosecution under such circumstances would be barred by the Equal Protection Clause, since the government employs an impermissible classification when it punishes those who complain against police misconduct and excuses those who do not.

In the case at bar, that is exactly what happened. Evidence of this invidious unconstitutional attempt to silence Terrel began in January 1985 when Robert Owen wrote Oliver North that Jack Terrell knew too much and it would not be good for him to be talking to the press. (See Owen Exhibit 17.)

Though many in government knew of Terrell's CMA activities before and after they occurred, no-one sought to involve law enforcement in blocking any of the missions, because the activities served the Administration's interest. However, in the spring of 1986 after Terrell had spoken to congressional and law enforcement investigators regarding the NSC-Contra war, the administration began a campaign against Terrell. John Poindexter convened a staff meeting of the National Security Council to discuss public stories regarding Terrell and the Contras, and Richard Secord retained the services of Robinette.

By June 25, 1986, the campaign to silence Terrell had moved into high gear. On that date, Terrell spoke on a CBS news show, West 57th Street, to a nationwide audience. He compared the Contra scandal to Watergate and openly discussed the role of Oliver North and Robert Owen. In retaliation and in an effort to silence Terrell, Secord and North utilized their security apparatus (Glen Robinette, the network's plumber) to target Terrell.

For the next month, there was constant surveillance of Terrell by private investigators and members of the FBI. The FBI was enlisted not only to surveil Terrell but also to gather information as to what he had been telling the media.

In an attempt to discredit and silence him, North, through the National Security Council, had Terrell declared a terrorist threat. By labeling Terrell a terrorist threat, the NSC was able to involve the FBI not just in spying on Terrell but calling Terrell in for extensive interviews and polygraph sessions. The FBI also made surreptitious entries into places Terrell was staying and on one occasion rifled through his trash in order to find information concerning his activities. All of the attempts to silence Terrell, however, failed. He continued to speak out and his comments regarding the

secret war were reported widely through the summer of 1986. As time went on, more and more journalists began to question whether there had been a coverup regarding the activities of the NSC network.

By the fall of 1986, Terrell's claims had received the attention not just of journalists, but also members of Congress. In mid October, members of the House Judiciary Committee wrote a public letter asking that a special prosecutor be appointed to investigate not just the secret war but a possible attempt by the Justice Department to stymie investigations into that war.

By mid October, 1986, it was clear to Justice Department officials that they could no longer keep the lid on. In order to protect themselves from a Congressional investigation, they convened a grand jury in order to cover their tracks.

But for Terrell's exercise of his first amendment rights, the grand jury would never have convened, and he would never have been punished for his comments. If he had remained silent, the cover up could have been continued indefinitely.

Unlike the case of Wayte, Id., where the court found that there was not selective prosecution, in part

because of the fact that the government begged people to comply with the law, here the exact opposite was the case. The government, from 1984 through the period of time of the indictment, allowed the defendant and others to engage in the activities they were later indicted for. As Tom Posey testified, "everyone encouraged us to do what we did."<sup>8</sup> The begging in this case was just the opposite of

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8 At the Feldman grand jury in February 1987, Tom Posey testified to the following:

Q. But what you're tryig to say now is -- I'm not trying to put words in your mouth, but the way I understand it, is since you believed that Owen was going to be responsible for this umbrella group, you were willing to accept whatever orders he gave you?

A. Yes, sir. Because common knowledge, okay, when you are with the Contras and everything like this, there is hardly -- I don't think there is any American that can go in or out down there unless the CIA knows about the name, birthdate, everything that they do.

And it just is something that you -- you just know that if you could go in and out that the CIA was there, they knew what was going on, if they didn't want what was going on, they would stop what was going on, and also at the same time we're sending this supply, taking supplies, flying, everything like that.

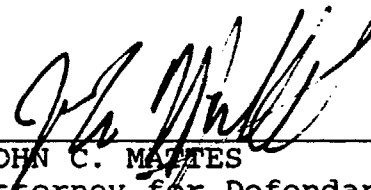
You got U.S. Customs letting everything go through, you know, the FBI, you know talked to them, American Embassy knew about it.

I mean, nobody said no. Everybody encouraged it.

Wayte when officials begged for lawful compliance. In this case, the government encouraged the lawbreaking.

In the case at bar, the government has employed this indictment to punish Jack Terrell for speaking out regarding activities which the government sanctioned for years. Based on these grounds, this indictment must be dismissed.

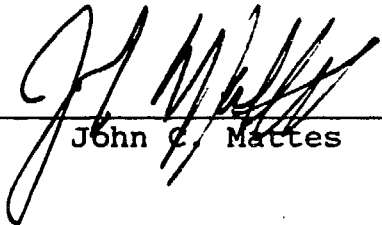
Respectfully submitted,



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CERTIFICATE OF SERVICE

I certify that a copy of the foregoing instrument was mailed this 7 day of October, 1988, to all counsel of record.

  
\_\_\_\_\_  
John C. Mattes

## EXHIBIT LIST

1. United States Military Group, El Salvador, letter to Tom Posey
2. Letter from Alvarez Martinez of Honduras to Tom Posey.
- 3a. State Department cables referencing CMA.
- 3b. State Department cables referencing CMA.
- 3c. State Department cables referencing CMA.
4. Letter from FDN to Tom Posey of CMA.
5. State Department Advisory regarding private United States support abroad.
6. FBI interview with Tom Posey, 8/6/87.
7. Miami Police Department Intelligence Report, September 24, 1984.
8. Letter from Contra Commander to Colonel Flaco.
9. Camper DIA memo of December 1984 regarding upcoming CMA military operations.
10. Spring 1987 grand jury testimony of Tom Posey.
11. FBI memos January 1985 re CMA.
12. North notebook, January 5, 1985.
13. January 15, 1985, FBI memo, from Birmingham to Washington Headquarters regarding Posey and the National Security Council.
14. January 23, 1985, CIA cables regarding CMA Costa Rican operations.
15. FBI memo re Tom Posey discussion of Neutrality investigation being closed.

EXHIBIT LIST (cont'd)

16. Posey's Spring 1987 grand jury testimony re protection from prosecution.
17. Owen-North memo, January 31, re Flaco's plans for the Indians.
18. CIA cables regarding CMA arms shipments to Hull's ranch.
19. November 12, 1985, Customs report closing investigation of CMA.
- 20a. Justice Department routing slip regarding Feldman investigation.
- 20b. Justice Department routing slip regarding Feldman investigation.
21. North diary regarding Feldman investigation.
22. April 7, 1986, Owen-North memo regarding Feldman investigation.
23. July 18, 1986 FBI memo regarding news stories regarding Terrell and North.
24. July 28 FBI memo regarding surveillance of Terrell and surreptitious entry into his hotel room.
25. July 28 Poindexter memo to the President regarding Terrell.

- - - - -





34

16 November 1963

## U.S. MILITARY GROUP EL SALVADOR

APO MIAMI 34028

MEMORANDUM FOR: Mr. Thomas V. Posey

SUBJECT: Attached letters

Dear Mr. Posey:

Attached are copies of your letter prepared for your signature to Col. Mena, Chief of Staff of the El Salvador Army which has been forwarded to you for your signature.

I wish to assure you that your offer was not frivolously considered. Based on your meeting Col. Avilés; this letter was prepared. MAJ Padial attempted to contact you but you had already departed for the U.S.

If we may be of further assistance please don't hesitate to contact us.

*C. A. McAnarney*  
C. A. McAnarney  
MAJ. INF.  
Logistics Officer

0083



*Fuerzas Armadas de Honduras*  
**JEFATURA**

• Comayaguala, D.C. 25 de noviembre de 1983.

J.FF.AA. No. 1687-83

Mr. Thomas V. Posey  
298 Lucillie Dr, S.W.  
Decatur, Alabama 35603

Dear Mr. Posey:

Thank you for your letter dated November 5 . It's always good to hear from people like you, wishing to help with more than words.

I suggest that one or two people from your group visit Honduras in order to discuss posible ways to implement your kind offer. This group should have ample powers to negotiate.

If you decide to come, please contact our Defense Attache in Washington, D.C., Colonel Mario Flores T. His telephone is (202) 966-7702. Colonel Flores will let us know when you are coming.

Again, thank you.

Sincerely

  
GUSTAVO A. ALVAREZ MARTINEZ  
Brigadier General  
Chief of the Armed Forces

0091

CONFIDENTIAL  
Department of State

MASS

INCOMING  
TELEGRAM

PAGE 01 SAN SA 00936 262238Z

0604 ARA3791

SAN SA 00936 262238Z

0604 ARA3

ACTION PH-09

INFO FILE-01 ARA-05 OAS-01 RP-1-31 ECP-01 PPC-01 NACA-01  
DCEN-01 ELSA-02 GUAT-02 NON-02 RPP2-01 STON-01 REIC-03  
REG-01 /024 A3

INFO OCT-00 COPY-01 ADS-00 INR-10 SS-00 CIAE-00 EB-00  
DOGE-00 H-01 NSCE-00 ARA-00 NSAE-00 COME-00 SSO-00  
NA-00 L-03 CTME-00 TRSE-00 OMB-01 STR-14 INRE-00  
SAL-01 JUS-01 USIE-00 JUSE-00 FBIE-00 SP-02 OOE-00  
MCE-00 SLPD-01 /060 V

-----161407 262235Z /01

O 262238Z JAN 84

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC IMMEDIATE 2418

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

USCINCSO GUARRY HEIGHTS PH

CONFIDENTIAL SAN SALVADOR 00936

DEPT FOR PH/SAC, PH/MS

E.O. 12336: DECL: 1/26/88

TAGS: MASS, NO, ES

SUBJECT: U.S. PRIVATE GROUP OFFER OF MILITARY ASSISTANCE

REF: (A) TEGUCIGALPA 844 (B) TEGUCIGALPA 353

1. CONFIDENTIAL - ENTIRE TEXT.

2. REFELS ASK FOR INFORMATION RELATING TO PRIVATE U.S. GROUP KNOWN AS CIVILIAN MILITARY ASSISTANCE (CMA), WHICH HAS OFFERED GRANT MILITARY ASSISTANCE TO THE GON AND THE GOES. CMA OFFICIAL THOMAS POSEY HAS CONTACTED NILGP, BEGINNING IN MID-OCTOBER 1983, REGARDING CMA INTEREST IN DONATING MILITARY EQUIPMENT. IN ADDITION, POSEY, IN LETTER TO THEN ESAP CHIEF OF STAFF COL. REYES MENA, DATED OCT. 25, 1983, INFORMED THE ESAP THAT A GROUP OF CONCERNED CITIZENS OF DECATUR, ALABAMA WAS PREPARED TO DONATE WITHOUT COST TO THE GOES SOME MILITARY EQUIPMENT AND THAT A MEETING OCT. 22 WITH THE ESAP D-IV (6-4) ADDRESSED A SPECIFIC LIST OF EQUIPMENT THAT CMA WAS PREPARED TO DONATE. THE LIST, MENTIONED IN THE LETTER, INCLUDED 16 30. CAL. SHIPER RIFLES, WITH AMMUNITION AND MAGAZINES; 30,000 ROUNDS OF M-60 MG AMMO AND OTHER ASSORTED AMMO; 320 RUCKSACKS; 640 UNIFORM SETS; 320 PONCHOS; AND OTHER ASSORTED INFANTRY EQUIPMENT. POSEY ALSO OFFERED THE SERVICES OF FIVE "INFANTRY TRAINERS" FOR A PERIOD OF 6 TO 12 MONTHS AND ASKED THE GOES TO CONFIRM IN WRITING ACCEPTANCE OF THE OFFER.

3. NILGP HAS CONFIRMED THAT OFFER OF MILITARY EQUIPMENT WAS ACCEPTED AND THAT SEVERAL SMALL BOXES OF EQUIPMENT HAVE BEEN RECEIVED BY THE ESAP. NILGP DOES NOT KNOW HOW MUCH EQUIPMENT HAS BEEN DELIVERED. WE ALSO DO NOT KNOW WHAT, IF ANY, ESAP DECISION REGARDING OFFER OF CIVILIAN TRAINERS HAS BEEN MADE.

4. IN CORRESPONDENCE TO NILGP, POSEY STATES THAT THE TRAINERS OFFERS ARE "HIGHLY QUALIFIED IN THEIR FIELD" AND THAT CMA WISHES TO WORK IN CONCERT WITH NILGP. COMMENT: NILGP HAS MADE CLEAR TO POSEY THAT LOCAL RESTRICTIONS AND LOCAL NILGP POLICY PROHIBIT ANY DIRECT COOPERATION BETWEEN A PRIVATE GROUP AND THE "MIL", IT INCLUDES HAVING THE LATTER ACT AS AN AGENT FOR ANY PRIVATE GROUP. NILGP HAS, HOWEVER, FACILITATED CONTACT BETWEEN CMA AND THE ESAP GENERAL STAFF. (END COMMENT.) IN A LETTER FROM CMA TO NILGP DATED JAN. 4, POSEY MENTIONS THAT

HE HAD LOST THREE OF HIS FINANCIAL BACKERS AND THAT HE HAS AN OUTSTANDING REQUEST TO THE DEPARTMENT TIED UP IN "RED TAPE" FOR PERMISSION TO SEND AMMUNITION TO EL SALVADOR, TO INCLUDE 45,000 ROUNDS. POSEY MENTIONED HIS PLANNED TRIP TO HONDURAS ON JAN. 9 WITH THREE COLLEAGUES TO OFFER THE SAME "DEAL" TO THE GON. HE STATES THAT 95 PERCENT OF THE EQUIPMENT IS NEW AND "THE BEST MONEY CAN BUY." HE ENDS HIS LETTER BY STATING: "WE JUST WANT THE CHANCE TO FIGHT THE COMMUNIST" (SIC). PICKERING

DEPARTMENT OF STATE A/CDC/MB

REVIEWED BY W. J. M. DATE 6/1/53  
(X) RELEASE (X) DECLASSIFY  
( ) EXCISE ( ) DECLASSIFY in PART  
( ) DENY ( ) Non-responsive info.  
FOI, EO or PA exemptions \_\_\_\_\_

TS authority to:

( ) CLASSIFY as \_\_\_\_\_, OADR  
( ) DOWNGRADE TS to ( ) S or ( ) G, OADR

CONFIDENTIAL

CONFIDENTIAL

## Department of State

OUTGOING  
TELEGRAM

MASS

PAGE 01 STATE 026677  
ORIGIN MCE-02

8457 AWA4376

|      |         |        |         |         |        |        |         |
|------|---------|--------|---------|---------|--------|--------|---------|
| INFO | FILE-01 | ARA-05 | OAS-01  | RPPI-01 | ECP-01 | PPC-01 | DCEN-01 |
|      | ELSA-02 | HON-02 | RPP2-01 | REG-01  | /017   | A3     | AS      |

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| INFO | OCT-00 | COPY-01 | ADS-00 | INR-10 | SS-00   | CIAE-00 | NSCE-00 |
|      | ARA-00 | NSAE-00 | SSO-00 | PM-09  | INRE-00 | SP-02   | /024 R  |

DRAFTED BY PM/MC: MLWIZNITZER: NTH  
 APPROVED BY PM/MC: WBROBINSON  
 PM/SAS: KKERNS  
 ARA/RPP: FLEE

DEPARTMENT OF STATE A/CDC/NR

-244417 2806402 /12

O P 280523Z JAN 84  
 FM SECSTATE WASHDC  
 TO AMEMBASSY TEGUCIGALPA IMMEDIATE  
 AMEMBASSY SAN SALVADOR IMMEDIATE  
 INFO SECDEF WASHDC PRIORITY 3011  
 USCINCSO QUARRY PT PAN

REVIEWED by SCAT DATE 6/2/84  
☒ RELEASE ☒ DECLASSIFY  
☐ EXEMPT ☐ DECLASSIFY in PART  
☐ EXEMPT ☐ Non-responsive info.

CONFIDENTIAL STATE 026677. POL. NO or PA exemptions

E.O. 12356: DECL: 1/23/94

TAGS: KOME, MASS, HO, ES

SUBJECT: PRIVATE OFFER OF MILITARY ASSISTANCE TO ( ) SGT ( ) C, OADR

REFS: (A) TEGUCIGALPA 844; (B) TEGUCIGALPA 353

- (C) - ENTIRE TEXT.
- RESULT OF OMC CHECK OF LICENSE APPLICATIONS BY CMA OR ITS MEMBERS (REF B) IS NEGATIVE.
- NEITHER PM/SAS NOR ARA/RPP RECALL PRIVATE SECURITY ASSISTANCE PROGRAM OF THIS TYPE. (DOCUMENT 70660) SHULTZ

CONFIDENTIAL

CONFIDENTIAL

EB6

Department of State

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MINOS  
INCOM  
TELECOM

EXCISE

PAGE 01 ACTION: FM-09 TEGUCI 00353 112055Z 1426 AR 1392

INFO FILE-01 ARA-05 OAS-01 RPP1-01 ECP-01 PPC-01 DCEN-01  
ELSA-02 MON-02 RPP2-01 STON-01 REIC-03 REG-01  
CZ1 A3 YC

INFO OCT-00 COPY-01 ADS-00 AID-00 INR-10 SS-00 CIAE-00  
EB-02 ARA-00 NSAE-00 SSO-00 MA-08 L-03 TRSE-00  
OMB-01 INRE-00 ACDA-12 SP-02 MCE-00 7054 W  
-----213762 112102Z 765

O 112051Z JAN 84  
FM AMEMBASSY TEGUCIGALPA  
TO SECSTATE WASHDC IMMEDIATE 9581  
INFO AMEMBASSY SAN SALVADOR  
SECDEF WASHDC  
USCINCSO QUARRY HEIGHTS PN

CONFIDENTIAL TEGUCIGALPA 00353

E.O. 12356: DECL: 1/11/94  
TAGS: MASS, MO, ES  
SUBJECT: OFFER OF MILITARY ASSISTANCE BY PRIVATE US GROUP

1. C-ENTIRE TEXT.  
2. EMBASSY HAS BEEN ASKED BY PRIVATE US GROUP TO PROVIDE THE NAME OF A CONTACT IN HONDURAN ARMED FORCES HEAD-QUARTERS FOR THE OPENING OF NEGOTIATIONS BETWEEN THE PRIVATE US GROUP AND THE GOM FOR THE PROVISION, WITHOUT COST, OF SUFFICIENT MILITARY EQUIPMENT FOR TWO HONDURAN COMPANIES. GROUP IS CIVILIAN MILITARY ASSISTANCE. (C. M. A.) 208 LUCILLE DRIVE, S.W., DECATUR, ALABAMA 35603. CMA INTENDS TO PROVIDE EQUIPMENT AND TRAINING FOR TWO COMPANIES, AND SAID THEY HAVE AN EXPORT LICENSE FOR M-16 RIFLES. CMA GROUP HAS JUST ARRIVED IN HONDURAS AND CONSISTS OF FOLLOWING MEMBERS: THOMAS POSEY, DANA PARKER, THEY CLAIM TO HAVE ALREADY INITIATED AN ASSISTANCE PROGRAM IN EL SALVADOR. CMA HAS BEEN IN CONTACT WITH GENERAL ALVAREZ BY LETTER: ALVAREZ RESPONSE WAS POSITIVE AND SUGGESTED CMA CONTACT GOM THROUGH DEFENSE ATTACHE IN WASHINGTON.  
3. EMBASSY WILL PROVIDE NAME OF CONTACT AT ARMED FORCES HEADQUARTERS BUT OTHERWISE NOT PARTICIPATE IN CMA VISIT. WE WOULD APPRECIATE ANY INFORMATION SAN SALVADOR AND DEPARTMENT MIGHT HAVE ON CMA. NEGROPONTE

DEPARTMENT OF STATE A/CDC/MR

REVIEWED by MP DATE 9/2/82  
( ) RELEASE (X) DECLASSIFY  
(X) EXCISE ( ) DECLASSIFY IN PART  
( ) DENY ( ) Non-responsive info.  
FOI, EO or PA exemptions \_\_\_\_\_

TS authority to:  
( ) CLASSIFY as \_\_\_\_\_ OADR  
( ) DOWNGRADE TS to ( ) S or ( ) C, OADR

CONFIDENTIAL

41  
**F D N**

**FORZA DEMOCRATICA NICARAGÜENSE**

31  
January 23, 1984.

MR. THOMAS POSEY  
CIVILIAN MILITARY ASSISTANCE (CMA)

DEAR SIR:

On behalf of our Movement NICARAGUAN DEMOCRATIC FORCE (F.D.N.) , I inform you that we are willing to accept all the help that your Organization is able to provide us so we can increase our fight against Communism and in favor of Democracy.

Sincerely;

C ENRIQUE BERNUDEZ  
DIRECTOR OF MILITARY AREA

0090

42

POLICY RE PRIVATE U.S. SUPPORT ABROAD

Q: What is our general policy in these matters?

A: Rather than a policy per se I think we have several applicable guidelines. First is the general proposition that, all things being equal, we try to help U.S. citizens abroad. If these individuals have a sincere, well-intentioned desire to support U.S. policy, we would have an added incentive in helping them. At the same time, we clearly would not condone or assist any violation of law -- either our own or the host country's.

Doc. No. 4740n

Jcm

NM 2-705

THOMAS VINCENT POSKY

9/6/87

3

Continuation of FD-302 of

On

Page

At this point of the interview POSKY left the room to speak with his attorney, DOUGLAS JONES. When they returned POSKY stated that on Sunday September 2, 1984, he received a telephone call from a friend who had just heard on the radio that a helicopter had been shot down inside Nicaragua. POSKY telephoned MARIO CALERO's house. CALERO was not home but his son said CALERO would be arriving that afternoon. At about 6:00 p.m. POSKY met with MARIO CALERO who told POSKY that DANA PARKER and JIM POWELL had been shot down and were killed. CALERO stated that the other Americans in Honduras, BLANTON, ALRIGHT, WILLIAM COURTNEY, and McKNIGHT would soon be returning to the United States.

Upon their return BLANTON and WILLIAM COURTNEY told POSKY that after the deaths of POWELL and PARKER they were taken to a safe house and were addressed by the United States Ambassador. The Ambassador gave them the story that POWELL and PARKER were on a medical evacuation mission. He said the Americans were on a mission to pick up any downed pilots, when they were shot down. BLANTON and COURTNEY, believed that the United States Ambassador was instructing them of a cover story for the downing of the Americans. The men thought they were given this story by the United States Ambassador because the real story (that of the helicopter being involved on a combat mission) was detrimental to United States interests. POSKY advised he therefore thought that the United States Government was taking the position that the helicopter was on a medical evacuation operation.

At this point of the interview POSKY admitted that he was advised by his CIA men at the time of the downing that the helicopter was on a combat/military mission.

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MM 174A-1298

GRK:sky

On September 26, 1984, DIODSDADO DIAZ, Investigator, SIU, MIAMI POLICE DEPARTMENT, furnished Special Agent GEORGE R. KISZYNSKI with a copy of their investigative report regarding the bombing of the CONTINENTAL NATIONAL BANK OF MIAMI, 1801 Southwest 1st Street, Miami, Florida, May 27, 1983, which is attached hereto:

199 C 2043

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|-------------|---------|
| SEARCHED    | INDEXED |
| SERIALIZED  | FILED   |
| JUL 30 1986 |         |
| FBI - MIAMI |         |
| CLERK RIB   | 7/2/86  |

0278

PORT RE

Bombing of Continental Bank, 1801 S. W. 1 Street, Miami, Florida which occurred May 27, 1983.

# Synopsis

On Thursday, September 6, 1984, 2030-2230 hours, Investigators D. C. Diaz and Alejandro Gonzalez interviewed Mr. Jose Coutin, Mr. Jose Sosa, and Marcelino Rodriguez, at the residence of Mr. Coutin located at 3111 N. W. 4 Street, Miami, Florida. The interview was in regards to information provided by them into the activities of known Cuban terrorists and the bombing of Continental Bank which occurred on Friday, May 27, 1983.

# Narrative

On Thursday, September 6, 1984, 2030-2230 hours, Investigators D. C. Diaz and A. Gonzalez, Miami PD, interviewed Mr. Jose Coutin, Mr. Jose Sosa and Marcelino Rodriguez at the residence of Mr. Coutin located at 3111 N. W. 4 Street, Miami, Florida. The following information was obtained in regards to known Cuban terrorists and the possible offenders involved in the bombing of the Continental Bank located at 1801 S. W. 1 Street, Miami, Florida that occurred on Friday, May 27, 1983.

The following information was given to these investigators:

1. That Mr. Jose Coutin is President of an organization composed of former and active members of the United States Armed Forces. The organization is called Legion Cubana (Cuban Legion). Mr. Marcelino Rodriguez and Mr. Jose Sosa are members of this organization.

The organization's goals and objectives are to fight Communism. In the past sixteen months the organization has been providing assistance to the Nicaraguan Contras (anti-Sandinista guerrillas) in

+ FBI

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GEORGE KOSYANSKI

OFFICER'S SIGNATURE

DEPT: FBI

DATE: 25 Sept 84

REVIEWED BY (NAME TITLE)

DATE

BY: JCL

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Honduras and Costa Rica by sending nonmilitary and medical supplies to the Contras.

2. That in August 1983, Armando Lopez-Estrada contacted Mr. Coutin to provide financial and medical assistance to two (2) individuals that were going to Costa Rica for a period of time to fight along with the Contra guerrillas. The financial assistance was to be given to the families of Jose Macias and Pedro Gil in Miami, Florida while they (Macias and Gil) were in Central America. This conversation meeting took place at subject Macias' residence. Subject Lopez-Estrada gave Mr. Coutin a breakdown of what financial assistance was to be given to Macias' and Gil's families. The breakdown was \$300.00 a month plus medical expenses for Jose Macias' family, and for Pedro Gil's family \$600.00 a month plus medical expenses.

This investigator obtained from Mr. Coutin a piece of paper written by subject Lopez-Estrada that gave a breakdown of the financial and medical assistance to be given to subjects Macias' and Gil's families. See attachment.

3. That Mr. Jose Coutin has traveled to Central America and has given nonmilitary and medical supplies to the Contras guerrillas in Honduras and spent some time with Contras' guerrillas.
4. That Mr. Jose Coutin had a confrontation at Rene Corbo's residence located at 673 East 51 Street, Hialeah, Florida, in the latter part of August 1984, in which subject Corbo's wife (Sandra) came out of the residence and pointed a firearm at Mr. Jose Coutin's wife Hilda. Mr. Coutin received several telephone calls in regards to threats of violence before and after the incident. Note: This information was corroborated on Tuesday, 11 September 1984 with Hialeah Police Department, Detective Prentice, Hialeah PD Case #84-76360 investigating the case. On the same date September 11, 1984, this writer contacted Southern Bell Security, Ft. Lauderdale, Florida, in regards to a trap and trace on telephone number (305) 545-6047 registered to Mrs. Hilda Helers Coutin. Mrs. Trick from Southern Bell Security - telephone 1-800-432-7282, stated that on August 29, 1984, 7:00 p.m., August 30, 1984, 11:28 p.m., September 3, 1984, 12:23 p.m., 12:24 p.m., 12:25 p.m. and

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George K. Zyanski

CCPT:

DATE:

BY:

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6:56 p.m., calls were made from telephone number (305) 687-6641 registered to: Alesandro Martinez, 673 East 51 Street, Hialeah, Florida, the residence of Rene Corbo.

On Saturday, September 1, 1984, Mr. Jose Coutin made a Miami PD report Case #2451806I in regards to a phone threat.

According to Mr. Coutin the incident between Mr. Coutin and Rene Corbo stemmed from a rumor that was started by Rolando Valdez in regards to their activities in San Jose, Costa Rica in which subject Valdez claimed that subject Coutin was saying that they (Pedro Gil, Rene Corbo and Rolando Valdez) were socializing with women and consuming alcoholic beverages.

5. That Frank ~~Castro~~ is a close associate of individual by the name of Francisco Chanes. According to Mr. Coutin subject Chanes is a narcotics trafficker and had met with Mr. Francisco Chanes at his residence 4210 S. W. 98 Court, Miami, Florida. Subject Chanes was giving financial support to anti-Castro groups and the Nicaraguan Contra guerrillas; the monies comes from narcotic transactions. Mr. Coutin further stated that subject Chanes has a business interest in a seafood company named Ocean Hunter Inc. located at 1375 N. W. 89 Court, Miami, Florida. (Note: Florida Department of State shows Ocean Hunter Inc., c/o Luis Rodriguez, 535 S. W. 98 Place, Miami, Florida, - Director - Santiago J. Rosell, Esq., 401 Miracle Mile, #403, Coral Gables, Florida, President - Luis Rodriguez, 535 S. W. 98 Place, Miami, Florida.
6. That Frank Castro contacted Mr. Coutin to give the Legion Cubana financial support to fight the Nicaraguan Sandinista Marxist Government. According to Mr. Coutin he refused the offer by Mr. Frank Castro because he (Coutin) had heard rumors the financial support was from drug monies.
7. That Rene Corbo, Frank Castro, Pedro Gil, Rolando Valdez, Francisco Chanes and Armando Lopez-Estrada are close associates involved in giving financial support to the Nicaraguan Contras station in Costa Rica that are associated with A.R.D.E. group headed by Eden Pastora

COPY OF THIS RECORD FURNISHED TO:

GEORGE K. S. Y. S. K.

DEPT: FBI

DATE: 9/19/84

BY: C. N. E.

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*QJM*

non guerre Commander Zero.

The following information was obtained from Mr. Jose Sosa and Marcelino Rodriguez:

8. That Jose Sosa had made arrangements to travel to Costa Rica along with Marcelino Rodriguez to train the Nicaraguan Contras, but he (Sosa) told Mr. Rodriguez to go ahead and to check and verify the authenticity of the persons involved in Costa Rica and involved with the Nicaraguan Contras. But when Mr. Rodriguez attempted to contact Mr. Sosa by telephone, the message was misunderstood by the person who took the message. Mr. Sosa is currently an active member of the United States Army Reserves Special Forces and is an expert in demolitions.
9. That he (Sosa) purchased the necessary military equipment except firearms or explosives for his personal use while on his stay in Costa Rica and he had purchased a United States military parachute designated MC-1 at Dade Survival and Military Surplus located at 9560 S. W. 40 Street, Miami, Florida, from an individual with a first name of Miguel. According to Mr. Sosa, this type of parachute he had never seen before in the army. The reason that he (Sosa) had gone to Dade Survival was because Rolando Valdez told him to obtain the necessary equipment at that location. After he (Sosa) purchased the parachute, he had checked with a United States Army Major who made an inquiry as to where he (Sosa) had obtained the parachute because it had just came out as new army issued equipment and could possibly have been stolen government property. Mr. Sosa returned the parachute and Army Criminal Investigation Detachment started an investigation of Dade Survival and Military Surplus in an attempt to recover the parachute at Dade Survival and if they were selling stolen United States Army Government equipment.
10. That Francisco Chanes gave several thousands of dollars to purchase expensive radio equipment to be shipped to Costa Rica. That approximately four (4) Walkie Talkies were purchased at a radio company named Caribbean Electronics (N.O.I.).

COPY OF THIS RECORD FURNISHED TO:

George K. S. [Signature]  
DEPT. FBI  
DATE: 9-28-84  
BY: A. N. L.

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11. That when he (Sosa) was ready to leave for Costa Rica, he was instructed to go to Rene Corbo with his equipment. When he (Sosa) arrived at the residence, 673 East 51 Street, Hialeah, Florida, Mr. Sosa had one (1) box containing his personal effects (military gear). At subject Corbo's house, the contents of the box was placed into another box to be shipped and weighed on a scale along with six (6) other boxes. During the re-shipment process Mr. Sosa observed a box of commercial dynamite being placed in a cardboard box and on top of it other goods were placed to cover what was in the bottom of the boxes.

According to Mr. Sosa, commercial dynamite and contraband are being shipped out of the United States in LACSA commercial flights. At the residence the seven (7) boxes were marked and placed under Mr. Sosa's name at the Miami International Airport. Mr. Sosa got upset because of what the other boxes contained with his name on it.

Upon arrival at San Jose, Costa Rica, the boxes were not opened by Costa Rica Customs because they were especially marked. According to Mr. Sosa and Rodriguez, Costa Rica Col. Pan y Agua Customs and Intelligence Officer G-2 Rigoberto Garita are involved in the illegal activities.

12. That LACSA Airline fares are purchased by these persons to travel to Costa Rica and that United States Voters registrations are used for identification to travel between the United States and Costa Rica.
13. That during their stay in San Jose, Costa Rica, Pedro Gil and Rolando Valdez are associated with an American who own a ranch in the northern part of Costa Rica near the Nicaraguan border. The owner of the ranch is known as John Hulls and the ranch has an airstrip. In October 1983 a load of ammunition and firearms was unloaded on that airstrip, he (Hulls) owns a Cessna 182.
14. That an individual by the name of Adolfo Jimenez who also owns a ranch in the Costa Rica area called Guanacaste, is a close associate of Armando Lopez-Estrada.

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GEORGE K. [unclear]  
DEPT: FBI  
DATE: 9/28/84  
By: J. [unclear]

0253

15. That an individual nicknamed "Papito" was arrested in Panama with a load of firearms in a helicopter that he (Papito) was piloting.
16. That he (Jose Sosa) would attempt to go back into the organization and contact the principle persons involved in this operation.
17. That he (Sosa) stated he had blown up an electrical tower with commercial dynamite in Central America.

The following information was obtained regarding the bombing of the Continental Bank located at 1801 S. W. 1 Street that occurred May 27, 1983, from Jose Coutin.

18. That on January 1984, while en route to WQBA Radio station (La Cubanisima) located at 701 S. W. 27 Avenue, Miami, Florida, Mr. Pedro Gil, Jose Coutin and Jose Macia were in a vehicle at which time Mr. Gil stated he (Gil) manufactured the bomb that exploded at the Continental Bank and he (Gil) had given the explosive device to Rafael Torres Jimenez, and that he (Coutin) heard rumors at a later time, that Rafael Perez aka "Torpedo" had placed the device, but that this information regarding who placed the device was not discussed en route to the radio station.
19. On Wednesday, September 12, 1984, a formal sworn statement was taken from Mr. Jose Coutin in regards to the bombing of the Continental Bank located at 1801 S. W. 1 Street, Miami, Florida, MPD Case #14739531. See attachment original copies of Legion Cubana. Applications on subjects Rolando Valdez and Jose Macias were obtained from Mr. Coutin and xerox copies were made of both applications - see attachment.

The following is a background information regarding the individuals mentioned in this report.

L/W/M Francisco Chanes - DOB 09-18-45

5'7", 125 lbs., brown eyes, black hair

FDLE # 0240617

LKA 4220 S. W. 98 Court, Miami, Fla.

Florida Vehicle registration: 1984 Buick, 4 door, white 1984  
Fla. XQC-554

Criminal History - 01-27-79 - Traffic offense.

COPY OF THIS RECORD FURNISHED TO:

GEORGE Kszynski

DEPT: FBI

DATE: 26 Sept 84

BY: Q.02

0254

**L/W/M Rafael Torres Jiemenz - DOB 09-02-36**  
**AKA Rafael Torres**  
5'6", 180 lbs., brown hair, brown eyes  
SS# 457-70-7997  
FDL# T62072036322957  
LKA 3034 S. W. 17 Street, Miami, Fla.  
FBI# 634540D  
MPD - BCI#73678  
Criminal History - 13 December 1960, Inciting a riot.

**L/W/M Eulalio Francisco Castro - DOB 06-04-42**  
**AKA Frank Castro**  
LKA 7104 S. W. 93 Court, Miami, Fla.  
1420 S. W. 31 Avenue, Miami, Fla.  
6'0", 190 lbs., brown eyes, black hair  
FDL# C23626042204000  
Florida Department of Motor Vehicles shows the following vehicles registered:

1981 Ford, 4 door, green/green  
1984 Fla. UAL-222

1984 Ford Thunderbird, red, 2 door  
1984 FL WHJ-193 (Ana M. Dewindt, DOB 7-14-55)  
part owner of: Bonet Travel Agency  
5958 West 16 Avenue, Hialeah, Fla.

Criminal History - FBI #121472X9, FDLE #1670526 - year 1981 - 4 counts - sale, deliver and importation of narcotics (case dismissed), CCP (10-13-81) S. Miami PD Case #1081-8307, SAO-81-23191, pled guilty, adjudication withheld, fine \$500.00 - year 1983 - DEA Case MC832001 conspiracy, importation of 425,000 lbs. of marijuana (Spinoff of DEA Grouper Case) Beaumont, Texas.

**L/W/M Pedro Gil - DOB 06-29-36**  
5'6", 155 lbs., brown eyes, brown hair  
LKA #52 N. W. 52 Avenue, Miami, Fla.  
FDLE #0450002  
FDL# G40066036229887  
Fla. Vehicle Registration:

1978 Dodge, 2 door, 1984 Fla. RWE-649  
1977 Chevrolet, 2 door, 1984 Fla. LWY-842  
1971 Chevrolet truck, 1984 Fla. TZG-061

COPY OF THIS RECORD FURNISHED TO:

*George K. Krawnski*

CC: *FBI*  
DATE: *96 Sept 84*  
BY: *W. J. L.*



90m

Criminal History - 01-10-69 conservation animals - possession doe deer.

Dade County Property and Tax Assessor's office shows:  
#52 N. W. 58 Avenue, Miami, Fla. - owner Pedro Gil and W. Amada.

L/W/M Rene Lorenzo Corbo - DOB 08-09-40  
LKA 673 East 51 Street, Hialeah, Fla.  
5'8", 125 lbs., brown eyes, brown hair  
FDLE #0721247  
FDL #C61073240289701  
Fla. Vehicle Registration:

1977 Chevrolet station wagon, 1984 Fla. UWN-894

1977 Chevrolet, 2 door, 1984 Fla. BSM-360

Criminal History - 11-19-71 - aggravated assault

L/W/M Armando Lopez Estrada - DOB 04-15-39  
LKA 11630 S. W. 119 Place Road, Miami, Fla.  
6'0", 185 lbs., black hair, brown eyes  
FDL #E23601239095601  
SS #086-74-3845  
Criminal History - 08-09-77 - CCF  
FDLE #1254850

L/W/M Rolando Valdez - DOB 01-09-39  
LKA 1660 N. W. 121 Street, Miami, Fla.  
690 West 36 Street, Hialeah, Fla.  
FDL #V43272039009394  
SS #265763394  
No Criminal History

L/W/M Jose Manuel Macias - DOB 07-24-35  
AKA Jose Macias  
LKA 7260 N. W. 5 Street, Miami, Fla.  
5'6", 130 lbs., brown eyes, black hair  
FDL #0473657  
SS #041301293  
No Criminal History

COPY OF THIS RECORD FURNISHED TO:

George Kynsk

DEPT: FBI

DATE: 26 Sept 81

BY: A. J. C.

\* L/W/M Jose Sosa - DOB 02-14-46  
LKA 1255 West 29 Street, Apt. #6, Hialeah, Fla.  
SS# 265-78-5203  
Fla. Vehicle Registration: 1978 Plymouth, 2 door, black/white,  
1984 U. S. Reserve 0206.

( ) *[Signature]*

\* L/W/M Marcelino Rodriguez - DOB 04-26-43  
LKA 8620 S. W. 41 Terrace, Miami, Fla.  
FDL #R36254043146183  
SS #262983183  
5'5", 150 lbs., brown eyes, black hair  
Criminal History - 02-21-76 - traffic offense  
FBI #682359P-9

\* L/W/M Jose Gustavo Coutin - DOB 11-12-44  
LKA 3111 N. W. 4 Street, Miami, Fla.  
5'7", 165 lbs., brown eyes, brown hair  
FDL #C35042044412000  
SS #538 44 8479  
FBI #699164G  
FDLE #1109173  
Criminal History - 1975 CCP - dismissed  
1982 Aggravated assault, resisting arrest  
w/o violence, inciting riot (no disposition)

Florida Department of State Corporation shows the following information on Dade Survival and Military Surplus Store Inc., 9560 S. W. 40 Street, Miami, Florida and Ocean Hunter Seafood Inc.

Dade Survival and Military Surplus Store Inc.  
Director/President - Miguel A. Miranda  
9560 S. W. 40 Street, Miami, Fla.

Ocean Hunter Seafood Inc.  
1375 N. W. 89 Court, Miami, Fla.  
Shows: c/o Luis Rodriguez  
535 S. W. 98 Place

This investigator checked 1375 N. W. 89 Court, Miami, Florida, a large freezer type warehouse with several other companies, but Ocean Hunter Seafood Inc. was not on the directory list. Bresser's shows Ocean Hunter Seafood Inc. at 1375 N. W. 89 Court at this location.

Investigation will continue.

Note: Each subject with asterisk (\*) provided the information.

COPY OF THIS RECORD FURNISHED TO:

Genove Kozynski

DEPT: FBI

DATE: 8/5/84

BY: Scine



FUERZA DEMOCRATICA NICARAGUENSE

GENERAL HEADQUARTERS 1st. ARTY CO. 11 Nov. 84

To : Major FLACO.  
From : 1st. Arty Co. Commander  
Subject : Request, Materiel, Arty.

Sir :

By this mean, with all due respect, the undersigned request, by your way, if possible to obtain the following materiel :

- a. 5 Compass, Lensatic NSN6605-00-151-5337
- b. 5 Compass, M-2, Arty.
- c. 1 Binoculars, Arty. P.O.

Nothing else to refer, with all due respect.

  
ROBERTO  
1st. Arty Co. Commander

DIOS PATRIA DEMOCRACIA

0630

gcm

REPORT —

12 Dec 84

- FDN (Front For A Democratic Nicaragua)
- Commando Unit
- CODE NAME: PEGASUS

Size: At present approximately one dozen U.S. citizen volunteers and fifty or more FDN trainees.

Activity: Training for deep-penetration raids into Nicaragua

Location: Secure FDN forward area camp south of Tegucigalpa in Honduras, on Nicaraguan northern border.

Unit: "Pegasus" commando company.

Time: The unit is in formation now.

Equipment: Small arms. AK-47's, Uzi SMG's, special equipment includes night vision scopes, sound suppressors, and sniper rifles.

In April, 1984, I (Franklin J. Camper 267-88-5455) met with a representative of the FDN at a press conference and fund raising dinner in Decatur, Alabama. The rep was Alfonso Callejas, ex-Vice President of Nicaragua while under President Somoza.

In a private conversation with Callejas and Tom Posey of CMA (Civilian Military Assistance) while in Posey's home, I outlined a special unit for commando operations that the FDN could create, giving them a special operations capability.

Callejas protested that ideas for this type of unit had been considered in the past, and that special missions had been proposed, but the U.S. CIA had frequently turned them down.

Callejas specifically detailed one operation that involved damaging the "morning glory" gates of a large lake in Nicaragua that fed hydroelectric power stations. The loss of electrical power in the country would be massive, according to Callejas.

Present at the conference and dinner, but not in the private conversation when I outlined in writing the commando unit, was Paul Johnson, my designated Executive Officer for the Mercenary Association's Recondo School.

I discussed the formation of the unit again with Callejas in Atlanta, Georgia, at the Atlanta airport where I met Callejas. This was approximately two weeks later.

At this meeting, only Callejas and myself were present.

Callejas asked if U.S. mercenary troops could be provided (but did not specifically request them) by myself or through another contact, and inquired as to what the cost of bringing such troops to Honduras would be to help form the commando unit.

After general conversation about the unit, I parted with Callejas, and have had no further contact with him.

\* Paul Johnson became involved with Tom Posey after the Decatur meeting in April, 1984, and assisted CMA in the collection of donated clothing, money, and equipment. It was this association that led to Johnson eventually accepting a position as a volunteer with CMA to travel to Honduras.

Initially, Johnson wasn't informed of any special plans or arrangements CMA or the FDN had for him. Posey did ask Johnson after a continued relationship between them if personnel who had graduated

the Recondo School (Mercenary Association) could be approached for the purpose of volunteering to the FDN. Johnson then began to screen potential graduates and discuss this with them, explaining it was a job assisting the FDN in training, maintenance, and organization, that it did not pay, and it would not involve combat duty.

Posey offered Johnson a payment sufficient to clear a passport penalty imposed against him while serving as a volunteer with the Christian Militia under now-deceased Major Saad Haddad in Lebanon, so Johnson could travel to Honduras. The penalty was approximately \$600 to \$800.

Any exact travel plans Posey had for Johnson and the team of Recondo graduates he was to arrange were not made clear, except for a general standby status.

On 17 Nov 84, the last scheduled class of the Recondo School began, with Johnson still acting as XO under myself, but prepared to leave on Posey's notice.

Johnson had contacted Tom Palmer, a former U.S. Army veteran of Viet Nam, Ken Milbrandt, a young man with no prior service or combat experience, and Rusty Rossey, who had acted as Training Officer for the Recondo under Johnson. Rossey is ex-USMC. All were graduates of the School, and all qualified, in Johnson's opinion, to volunteer for duty with the FDN. Palmer, Milbrandt, and Rossey came to the School packed to go to Honduras, arriving at the end of the first week of training (23 Nov 84).

Posey drove to the School HQ ("The Bunker," 723A Brooklane Drive, Hueytown, Al, 35023) on Monday night, 26 Nov 84, to collect the volunteers.

It was on this day that Johnson told me Posey had "special" duties for the Recondo graduates, which was the training and support of a "commando" unit being formed within the FDN.

The duties could involve combat, such as participation on long range patrols, deep penetration raids, or sniper missions within the borders of Nicaragua.

This is precisely the type of training given in the School, patrelling, raiding, and other small unit actions.

Johnson wanted me to get the message about the commando unit to a U.S. Counter-Intelligence officer with whom he had cooperated before via his position as the XO at the Recondo School to gather information about foreign students.

Posey had been sketchy about the unit to Johnson, but the organization of it closely matched the outline I had given to Callejas in April.

While picking up the volunteers, Posey informed me FDN would accept as many qualified Recondo graduates as I could muster, since the new unit could use as many as "one hundred U.S. volunteers."

I was to contact the prospective volunteer, get him to fill out an CMA/FDN application, and have the man make personal contact with Posey.

Posey drove the volunteers to New Orleans, where after a delay, flew to Honduras on or about 29 Nov 84.

Upon arrival in Tegucigalpa, the group of CMA volunteers mixed with the Recondo School graduates were intercepted by a reporter, William Thomas (Commercial Appeal, Memphis, Tenn.) who obtained the information from one of the men who identified himself only as

a "Colonel Floco," and said he was from Alabama, that the group was destined for a new FDN commando group that was formed under the name "Pegasus."

Col. Floco stated the mission of the Pegasus unit was to make raids inside Nicaragua against sensitive military targets.

Col. Floco did not explain why he was revealing what would seem to be classified information. Floco's statements were reported in hundreds of newspapers in the United States over the next week, as William Thomas wrote a series of articles on a malcontent CMA volunteer from Lawton, Oklahoma, named Richard Thomas, who was returning home after being in Honduras only a few days.

Here are specific statements made by Posey to Johnson and myself pertaining to Johnson's duty in Honduras.

1. No photographs would be allowed by any of the volunteers at the Pegasus camp, but that in other areas, cameras would be allowed.

2. Pegasus might encompass more than one campsite, as Posey said Johnson would travel to either one or more nearby camps that would also not allow photography.

3. Johnson telephoned The Bunker prior to leaving for Honduras from New Orleans and told me the weapons "his unit" would be using would be Uzi SMG's and AK-47's.

4. At least one ex-U.S. Starlight scope Posey had been given or had purchased early in 1984 had been held in reserve for special purposes, and had only been sent to Honduras "recently." It was an AN/PVS-2 unit.



5. The FDN/CIA disagreements over special mission operations had been solved by the FDN taking charge of their own needs, and operating more independently of the U.S. government.

6. The Soviet HIND-D helicopters were a priority target of the new unit.

7. First missions would commence shortly after New Years, 1985.

#### PEGASUS UNIT OUTLINE

The Pegasus unit is being formed first as a company-sized Special Operations Group, with the planned intent to expand to Battalion size in the future. It is organized into three groups.

#### INTELLIGENCE GROUP

This is a recon force intended for long range patrols well behind Sandinista lines, equipped to operate with agents and informers, and to exist off the land or from agent-set food & medical caches for extended missions.

#### SNIPER GROUP

The Sniper Group may travel with a Pegasus-LRP or operate on its own. The purpose of the Snipers is to pin down outposts, make the use of some roads or other areas hazardous, and to eliminate Sandinista leadership personnel in "secured" or rear areas.

#### RAID TEAMS

The Raid Teams are for fast, precise combat raids anywhere inside Nicaragua against military or economic targets.

At this time, Paul Johnson is part of Pegasus, along with Recondo volunteers Rusty Rossey, Ken Milbrandt, and Tom Palmer.

Johnson is willing to act as an intelligence asset for the U.S. Government, but was moved too quickly to Honduras to establish a secure means of relaying information out of the Pegasus unit.

His mail is handcarried in and out, and is subject to inspection. Johnson gave me this contact address for him:

Pablo Johnson

c/o Mario Calero

PO Ex 952, Kenner, La. 70063

It is reasonable to assume Johnson has been given a position of authority with Pegasus, and can provide valuable intelligence data on movements and intentions of Pegasus.

Because of the sensitive nature of the Pegasus unit, and the security FDN has imposed around it, Johnson's cooperation with any U.S. intelligence gathering agency is a risk for him, with possible arrest, torture, or death for what could be construed as treason against the FDN.

#### PROPOSAL TO ESTABLISH CONTACT WITH JOHNSON

Because I am accepted by Posey and FDN, it is possible for myself to travel to Honduras, and visit Johnson, either at a neutral site or within the FDN Pegasus camp itself.

Johnson and the other Recondo School graduates have a high degree of loyalty to me, and could be depended on for assistance.

I project the cost of my trip to Honduras from Birmingham, Alabama to meet and establish a safe means of communication from Johnson to be approximately \$3,000.00 U.S.

This trip would be well coordinated with assigned U.S. intelligence officers to realize the maximum benefit from it.

Please contact me if there are any questions.



Franklin J. Camper

267-88-5455

~~SECRET~~

TO: \_\_\_\_\_

DATE: 31 JAN 87

\_\_\_\_\_, a representative of Military Intelligence, is calling upon you to solicit your cooperation in collection of military foreign intelligence, of which you may be knowledgeable and which is important to the defense of the United States. The following statement is provided to you under provisions of The Privacy Act (Public Law 93-579, 5 USC 552a):

a. Collection of foreign military intelligence is authorized under the National Security Act of 1947 (Section 102(d) (3)) and Executive Order 11905, 18 February 1976. Your cooperation in providing this information is voluntary. At no time will your name be released, in conjunction with this information, without your permission.

b. The principal purpose for which this information is intended is to provide the Department of Defense with intelligence required for the defense of the United States of America.

c. Routine use of this information is to support contingency planning and military operations. Information is used by Department of the Army, Department of Defense.

d. Your refusal to provide any or part of the requested information will have no effect on you.

-----  
(PLEASE COMPLETE ITEMS BELOW)

NAME: FRANKLIN J CAMPER  
(FIRST) (MI) (LAST)

ADDRESS: 903 WARRIOR RIVER ROAD, HURRYTOWN AL 35023

DECLASSIFIED BY AUTHORITY OF  
Secretary of the Army

ON 8 July 1988 (A-1) 35  
Date

BY DAMI-CIS (88-M26-18)  
Person/Activity

Franklin J. Camper  
(SIGNATURE)

~~SECRET~~

INS on  
Rec'd by PAM 380-6

1 me and were legally registered.

2 A JUROR: None of that was ever  
3 sent out then for the Contras?

4 THE WITNESS: The Freedom Fighters,  
5 no, ma'am, except for the rounds that I  
6 stated a while ago that Jack Terrell bought from  
7 me for self protection.

8 They didn't have that many down there.

9 That was the only thing.

10 MR. FELDMAN: Yes, sir.

11 A JUROR: And also do you know who Mr.  
12 Spivey was calling at the White House?

13 THE WITNESS: I'm confused as to the  
14 two names.

15 It was either Eud McFarland or Colonel  
16 North because his name was used -- both names  
17 were used quite extensively, whatever words with  
18 me, for a period of about three or four days  
19 there, both names.

20 A JUROR: And did Mr. Spivey ever describe  
21 Rob Owen's connection with the Government or his  
22 position with the Government?

23 THE WITNESS: Only thing he told me that  
24 he was in a high up place with, in essence, the  
25 Rational Security Counsel.

0563

## TRANSMIT VIA:

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☐ Facsimile  
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## PRECEDENCE:

☒ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
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NEUTRALITY MATTERS - NICARAGUA; OO: HOUSTON.

IN REFERENCED TELETYPE, THE L.A. DIVISION REPORTED THAT LARRY SPIVEY, TELEVISION PRODUCER, STATED THAT THOMAS VINCENT POSEY, (X) JACK TERRELL (X), AKA EL FLACO AND POSSIBLY (X) JOSE COUTIN (X), A CUBAN BUSINESSMAN RESIDING IN MIAMI, WERE GETTING READY TO TRAVEL TO COSTA RICA TO TAKE PART IN SOME TYPE OF "MAJOR MILITARY ACTION AGAINST NICARAGUA." SPIVEY IS INTERESTED IN DOING A HUMAN INTEREST STORY ON POSEY, WHO HAS TRAVELED TO COSTA RICA ASSISTING THE "CONTRAS," WHO ARE COMBATING SANDINISTA FORCES AND MADE POSEY AN

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Approved: JVC/KHTransmitted 004

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Submitted by: 2-6-91

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 Date \_\_\_\_\_

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OFFER TO DO HIS STORY BUT HE (POSEY) DID NOT RESPOND: SUBSEQUENTLY, JIM ADAIR, WHO WRITES FOR "EAGLES MAGAZINE," WHICH IS A LOW-GRADE SOLDIERS OF FORTUNE MAGAZINE CALLED SPIVEY FROM HOUSTON, TEXAS AND OFFERED HIM THE RIGHTS TO AN ACTION THAT PRIVATE U.S. CITIZENS WERE TO CARRY OUT AGAINST NICARAGUA ON JANUARY 4-5, 1985.

ON JANUARY 5, 1985, SPIVEY CONTACTED THE L.A. DIVISION FROM MIAMI, FLORIDA, STATING THAT POSEY AND SEVERAL OTHERS WERE CHECKED IN AT A HOWARD JOHNSON'S MOTEL IN MIAMI AND WERE PLANNING TO LEAVE FOR COSTA RICA ON JANUARY 7, 1985, FLIGHT UNKNOWN.

ON JANUARY 6, 1985, LARRY SPIVEY, 15050 SHERMAN WAY, CALIFORNIA 91406, UNIT 197, TELEPHONE NUMBER (818) 901-7555, ADVISED THAT POSEY FOUNDED THE CIVILIAN-MILITARY ASSISTANCE (CMA), AN ORGANIZATION BASED IN HUNTSVILLE, ALABAMA, WHICH HAD TWO MEMBERS DOWNED IN A HELICOPTER INCIDENT NEXT TO THE NICARAGUAN BORDER. SPIVEY STATED THAT POSEY IS A WELL-MEANING EX-MARINE, WHO WANTS TO DEFEAT COMMUNISM BUT NOT BY "KILLING PEOPLE." HE SAID THAT HE HAS BEEN HELPING THE "CONTRAS" IN COSTA RICA WITH TRAINING AND MEDICAL SUPPLIES.

SPIVEY STATED THAT EL FLACO, WHOSE REAL NAME IS SUPPOSED TO

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PAGE THREE MM (2-696) UNCLAS

BE JACK TERRELL, JOINED THE CMA AND GAVE POSEY \$30,000.00. TERRELL IS SUPPOSED TO BE AN EX-MARINE COLONEL AND ACCORDING TO SPIVEY IS UNSTABLE AND COULD JEOPARDIZE U.S. INTERESTS IN CENTRAL AMERICA.

SPIVEY ADVISED THAT POSEY IS A SINCERE AND HONEST LOYAL AMERICAN WHO WOULD BE WILLING TO FULLY COOPERATE WITH THE U.S. GOVERNMENT, BUT IS NAIVE AND COULD BE COMPROMISED IF NOT DIRECTED.

JOSE COUTIN, 3111 NW 4TH STREET, TELEPHONE 545-6047, ADVISED HE IS THE REPRESENTATIVE OF THE CMA IN THE MIAMI AREA. HE STATED HE WAS PLANNING TO GO TO COSTA RICA ON JANUARY 7, 1985, WITH POSEY AND EL FLACO, WHO HE KNEW WAS JACK TERRELL, BUT WAS NOT SURE WHETHER HE (COUTIN) COULD MAKE THE TRIP BECAUSE HE LACKED THE FUNDS. HE STATED THAT THEY WERE SUPPOSED TO LEAVE MIAMI INTERNATIONAL AIRPORT AT 2:00 P.M. AND ARRIVE AT COSTA RICA AT 3:30 P.M., BUT HAD NONE OF THE DETAILS REGARDING THE DEPARTURE BECAUSE HE HAD NOT MADE THE RESERVATIONS AND DID NOT KNOW WHO HAD. COUTIN SAID THEY PLANNED TO TRAVEL TO COSTA RICA TO INSPECT THE TERRAIN IN ORDER TO SET UP A TRAINING CAMP THERE. NO WEAPONS OR AMMUNITION WERE TO BE TAKEN OUT OF THE UNITED STATES.

COUTIN ADVISED HE WANTED TO SPEAK TO EDEN PASTORA IN COSTA RICA IN AN ATTEMPT TO UNITE SOME OF THE ORGANIZATIONS WHO ARE

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## CLASSIFICATION

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PAGE FOUR MM (2-696) UNCLAS

COMBATING SANDINISTA FORCES IN NICARAGUA. COUTIN STATED THEY WERE SUPPOSED TO STAY IN COSTA RICA FOR ONE WEEK.

COUTIN ADVISED HE DID NOT KNOW WHERE TERRELL LIVES, BUT STATED HE CAN REACH HIM THROUGH TELEPHONE NUMBER (205) 344-8347, WHICH IS LOCATED IN ALABAMA.

COUTIN ADVISED HE CONTACTED POSEY BY TELEPHONE RIGHT AFTER THE HELICOPTER CRASH IN NICARAGUA AND EXPRESSED HIS SOLIDARITY FOR HIS CAUSE. DURING NOVEMBER OF 1984, POSEY CAME TO MIAMI AND COUTIN MET HIM PERSONALLY, PLEDGING HIS COOPERATION. THEY INITIALLY HOPED TO SEND 7 to 8 INSTRUCTORS TO COSTA RICA EVENTUALLY REACHING A TOTAL OF 20. THESE INSTRUCTORS WILL TEACH THE "CONTRAS" IN COSTA RICA MAINTENANCE OF WEAPONS, GUERRILLA WARFARE TACTICS, FIRST-AID, ETC. NONE OF THE INSTRUCTORS WERE TO BECOME INVOLVED IN THE ACTUAL FIGHTING.

ON JANUARY 6, 1985, THOMAS VINCENT POSEY ADVISED HE WAS PLANNING TO TRAVEL TO COSTA RICA ON JANUARY 7, 1985, WITH JOE WILLIAMS AND JACK TERRELL, AKA EL FLACO. TERRELL IS A FORMER MARINE MAJOR AND WILLIAMS, A FORMER PAN AMERICAN SHOOTING CHAMPION AND MARINE WHO WAS BORN IN ST. LOUIS, MISSOURI. POSEY BELIEVES THAT TERRELL MADE THE TRAVEL ARRANGEMENTS. THEY WERE SUPPOSED TO LEAVE THE MIAMI

INTERNATIONAL AIRPORT AT 6:00 A.M. ON JANUARY 7, 1985, EN ROUTE TO

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 (Number) (Time)

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☐ UNCLAS E F T O  
☐ UNCLAS  
Date \_\_\_\_\_

PAGE FIVE MM (2-696) UNCLAS

TEGUCIGALPA AND FROM THERE, TRAVEL TO COSTA RICA (CHECK WITH MIAMI INTERNATIONAL AIRPORT INDICATED THAT TAN AIRLINES HAD A FLIGHT FROM MIAMI TO TEGUCIGALPA, WHICH DEPARTED AT 6:00 A.M., JANUARY 7, 1985.)

POSEY STATED THAT THE REASON FOR THE TRIP TO COSTA RICA WAS TO BRING TOGETHER ALL OF THE "CONTRA" ORGANIZATIONS ACTIVELY COMBATING SANDINISTA FORCES. POSEY STATED THAT THE MAIN GROUPS WHICH ARE ACTIVE ARE: FDN, ARDE, AND THE MESQUITOS. HE STATED THAT ARDE IS IN DISARRAY AND THAT EDEN PASTORA IS AN INEFFECTIVE LEADER. HE SAID THAT STEADMAN FAGOTH IS A GOOD LEADER WHO WILL FIGHT WITH HIS TROOPS AND STATED THAT ADOLFO CALERO IS JUST ANOTHER POLITICIAN WHO IS NOT LIKED BY HIS PEOPLE.

POSEY CONTENDED THAT HIS MAIN OBJECTIVE IN COSTA RICA WAS TO TRAIN THE "CONTRAS." HE ADVISED THEY WERE NOT PLANNING TO TAKE ANY WEAPONS FROM THE UNITED STATES INTO COSTA RICA AND WHILE THERE, THEY WOULD ONLY CARRY A SIDE-ARM FOR PERSONAL PROTECTION.

POSEY ADVISED HE FIRST MET JOSE COUTIN A MONTH AND ONE HALF AFTER THE DOWNING OF THE HELICOPTER IN NICARAGUA AND THE DEATH OF JIM DANA. COUTIN BECAME THE PRESIDENT OF THE MIAMI CHAPTER OF THE CMA. TO DATE, THE ORGANIZATION HAS ONLY BEEN ABLE TO RAISE \$2,500.

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 Date \_\_\_\_\_

PAGE SIX MM (2-696) UNCLAS

POSEY STATED THAT HIS ORGANIZATION CONSISTS OF 10 TO 12 PEOPLE. THEY HAVE NO POLITICAL AMBITION, BUT WISH TO HELP IN CENTRAL AMERICA AND WOULD NOT DO ANYTHING TO VIOLATE U.S. NEUTRALITY LAWS. POSEY ALSO SAID HE DID NOT WISH TO DO ANYTHING WHICH WOULD JEOPARDIZE U.S. INTERESTS IN THAT AREA. POSEY CONTENDED THAT ADOLFO CALERO PROMISED HIM A TRAINING BASE TO OVERTHROW FIDEL CASTRO ONCE NICARAGUA WAS FREED FROM THE SANDINISTAS.

POSEY ADVISED THAT PABLO DANIEL ORTEGA, WHO RESIDES IN HOUSTON, TEXAS, DONATED TWO CESSNAS 172 WITH MEXICAN REGISTRY. EACH PLANE CAN CARRY FROM 400 TO 600 POUNDS OF SUPPLIES PLUS THE PILOT. ORTEGA AND AN ASSOCIATE OF HIS WHO WORKS FOR U.S. CUSTOMS, PLANS TO FLY THESE PLANES TO COSTA RICA WHICH WOULD BE USED TO SUPPLY THE "CONTRAS" WITH FOOD AND MEDICAL SUPPLIES.

POSEY STATED THAT IN COSTA RICA HE WAS SUPPOSED TO MEET WITH A JOHN HALL, AN AMERICAN, WHO HAS A RANCH THERE AND IS ASSISTING THE "CONTRAS." POSEY WAS PLANNING TO PUT HALL IN CONTACT WITH LEADERS OF REBEL FORCES. POSEY STATED THAT HE AND JACK TERRELL WERE QUESTIONED IN NEW ORLEANS BY THE FBI REGARDING THEIR ACTIVITIES IN CENTRAL AMERICA.

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Date \_\_\_\_\_

PAGE SEVEN MM (2-696) UNCLAS

POSEY PROVIDED HIS OWN BACKGROUND INFORMATION:

NAME - THOMAS VINCENT POSEY; WHITE MALE; DOB JUNE 5, 1946, POB HUNTINGTON, WEST VIRGINIA; HEIGHT 6 FEET; HAIR LIGHT BROWN; EYES BLUE; BUILD MEDIUM; SSAN 259-66-7608, ADDRESS 208 LUCILLE DRIVE, DECATUR, ALABAMA 35603, 353-5769 (HOME) AND 355-3191 (BUSINESS).

ON JANUARY 7, 1985, POSEY TELEPHONICALLY CONTACTED AN FBI AGENT ASSIGNED TO THE MIAMI DIVISION AND STATED THAT JOHN HALL AND HIS RIGHT-HAND MAN, MARIO (LNU) HAD ARRIVED IN MIAMI AND WERE ATTEMPTING TO GET MARIO CALERO TO SEPARATE FROM HIS BROTHER, ADOLFO, IN ORDER TO ESTABLISH A SOUTHERN FRONT IN COSTA RICA. HALL SAID HE COULD INFLUENCE EDEN PASTORA TO WORK WITH THEM. TERRELL WAS INSTIGATING THE DEVELOPMENT OF ABOVE-DESCRIBED SCENARIO. POSEY STATED HE WOULD CONTINUE TO REPORT TO THE FBI NEW DEVELOPMENTS.

REQUEST OF THE BUREAU: FBI HEADQUARTERS IS REQUESTED TO DISSEMINATE ABOVE INFORMATION TO OLIVER NORTH, NATIONAL SECURITY COUNCIL, WHITE HOUSE.

BIRMINGHAM, AT HUNTSVILLE, ALABAMA: POSEY STATED HE HAS BEEN PREVIOUSLY CONTACTED BY FBI AGENT GWYNNE L. HUPFER, WHOM HE TRUSTS. IT IS REQUESTED THAT SA HUPFER MAINTAIN CONTACT WITH POSEY

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
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PAGE EIGHT MM (2-696) UNCLAS

IN ORDER TO DEVELOP HIM AS A POSSIBLE SOURCE.

NEW ORLEANS AT NEW ORLEANS: REPORT RESULTS OF INVESTIGATION REGARDING POSEY AND TERRELL TO ALL INTERESTED OFFICES.

HOUSTON AT HOUSTON, TEXAS: LOCATE AND INTERVIEW JIM ADAIR AND PABLO DANIEL ORTEGA. THROUGH ORTEGA, IDENTIFY PILOT WHO ALLEGEDLY WORKS FOR U.S. CUSTOMS.

BT

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(Number) (Time)

**UNCLASSIFIED**

Jan 85

1948

Call from Clarence

200T of crew encubated

ways

Daniel Dices

- flying 70+ / night

1900 - Call from Gen. Gomer

- Released word about cables

- Advised of intent to

1905 - Call to [redacted] - FBI

1930 - Call from [redacted]

- Cuban American

→ Tennell, Jack

- was w/ CIA - 6 years

- worked out of Africa

- says he knows Dutton

- joined crew after 2nd.

- Process- has copies 3000  
from 1 Agusta - Cuban - detail  
to DRC in Ag.

EXHIBIT

DRC # 31

365

ed / Released on 17 Aug 1997  
Provisions of E.O. 12355  
National Security Council**UNCLASSIFIED**

FBI

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☒ UNCLAS

Date 1/15/85

FM BIRMINGHAM (2-28) (P) *sys*  
 TO DIRECTOR ROUTINE *CS*  
 HOUSTON ROUTINE *S*  
 MIAMI (2-696) ROUTINE *S*  
 NEW ORLEANS ROUTINE *11:00*  
 LOS ANGELES (2-414) (IT-1) ROUTINE  
 BT *6:20 AM*

UNCLAS

ATTN SSA JOHN J. NEWMAN, ROOM 4251, CRIMINAL INVESTIGATIVE DIVISION,  
 DOMESTIC TERRORISM UNIT, FBIHQ

THOMAS VINCENT POSEY, AKA THOMAS V. POSEY, TOMMY POSEY; NEUTRALITY  
 MATTER-EL SALVADOR, NICARAGUA; CO:BN

RE LA TELETYPE TO BUREAU, JAN. 5, 1985, AND MIAMI TELETYPE TO  
 BUREAU, JAN. 8, 1985.

ON JAN. 11, 1985, SUBJECT WAS TELEPHONICALLY CONTACTED AT HIS  
 RESIDENCE AND ADVISED HE WAS FLYING OUT OF HUNTSVILLE, AL., JETPORT  
 TO WASHINGTON D.C. AT APPROX. 4:00 PM SAME DATE.

*1* - BH  
 GLH:rl

Approved: *[Signature]* Transmitted *605* *6:20* Per *[Signature]*  
 (Number) (Time)

FBI

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PAGE TWO UNCLAS BH 2-28

SUBJECT WAS INTERVIEWED AT HUNTSVILLE JETPORT ON JAN. 11, 1985, AND ADVISED HE WAS INSTRUCTED BY LARRY SPIVEY TO FLY TO WASHINGTON D.C. AND THAT HE (POSEY) WOULD BE PICKED UP IN WASHINGTON BY SPIVEY, HE THOUGHT.

SUBJECT STATED HE WAS INFORMED BY SPIVEY THAT THE PURPOSE OF THIS TRIP WAS FOR HIM (POSEY) TO MEET WITH REPRESENTATIVES OF 3 GOVERNMENT AGENCIES (FBI, DEA, AND CIA) TO DISCUSS HIS AND HIS ORGANIZATION'S (CMA) FUTURE ACTIVITIES IN CENTRAL AMERICA; SPECIFICALLY HONDURAS, NICARAGUA, AND COSTA RICA. SUBJECT INDICATED THAT HE DID NOT KNOW THE NAMES OF ANY OF THE INDIVIDUAL REPRESENTATIVES FROM THE ABOVEMENTIONED GOVERNMENT AGENCIES WHO HE IS TO MEET WITH.

ON JAN. 13, 1985, LARRY SPIVEY TELEPHONICALLY CONTACTED SA GWYNNE L. HUPFER AT HIS RESIDENCE IN HUNTSVILLE, AL. SPIVEY INDICATED HE WAS CALLING FROM WASHINGTON D.C. AND WAS WITH TOMMY POSEY. SPIVEY INDICATED THAT IT WOULD NOT BE NECESSARY FOR SA HUPFER TO MEET WITH POSEY AT THE HUNTSVILLE JETPORT AT 4:30 PM THAT DAY, AS PREVIOUSLY PLANNED.

SPIVEY SPOKE FREELY OF THE SUBJECT AND HIS ACTIVITIES AND MADE MENTION OF THE TWO REFERENCED TELETYPES. HE STATED THAT UNNAMED MEMBERS OF THE NATIONAL SECURITY COUNCIL HAD INDICATED TO HIM THAT THE TELETYPE FROM MIAMI "SHOULD HAVE BEEN CLASSIFIED."

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PAGE THREE UNCLAS BH 2-28

SPIVEY ADVISED THAT SOMEONE IN THE ADMINISTRATION (NOT NAMED) HAD ASKED PRESIDENT RONALD REAGAN "WHAT ARE WE GOING TO DO ABOUT TOMMY POSEY", TO WHICH THE PRESIDENT REPLIED "WHAT DO YOU MEAN". ACCORDING TO SPIVEY THIS INDIVIDUAL IN THE ADMINISTRATION THEN ASKED "ARE WE GOING TO PROSECUTE HIM FOR VIOLATION OF THE NEUTRALITY STATUTE", TO WHICH PRESIDENT REAGAN REPORTEDLY STATED "NOT WHILE MY ADMINISTRATION IS IN OFFICE." SPIVEY STATED THAT THE PRESIDENT REGARDS POSEY AS A "NATIONAL TREASURE".

SPIVEY INDICATED THAT A FBI ASSISTANT DIRECTOR, (NAME NOT KNOWN BY SPIVEY) WAS FOLLOWING THE POSEY CASE CLOSELY.

SPIVEY WAS ASKED HOW HE WAS INVOLVED IN THIS SITUATION AND HE REPLIED THAT HE WAS PLANNING ON PRODUCING A FUTURE DOCUMENTARY CONCERNING TOMMY POSEY AND THE CMA.

SPIVEY ADVISED THAT HE COULD BE REACHED THROUGH TELEPHONE NUMBER (202) 429-1700, EXT. 721, AND THAT TOMMY POSEY WAS STAYING AT A HOLIDAY INN IN WASHINGTON D.C. AND COULD BE REACHED THROUGH TELEPHONE NUMBER (202) 737-1200, ROOM 315.

SPIVEY CONCLUDED BY ADVISING THAT POSEY WOULD TELEPHONICALLY CONTACT SA HUPFER BEFORE HIS RETURN FLIGHT TO THE HUNTSVILLE, AL., JETPORT.

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PAGE FOUR UNCLAS BH 2-28

THE ABOVE IS BEING PROVIDED FOR INFO. OF BUREAU.

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UNRECORDED

1-1-3187 22 JAN 85

22 JAN 85

SECRET 22 JAN 85 STAFF

CITE

TO: IMMEDIATE DIRECTOR

C 3953

SUBJECT:

TOM POSEY

REF:

Partially Declassified Referred on 29 JAN 88  
under provisions of E.O. 12336  
by K. Johnson, National Security Council1. TOM POSEY, LEADER OF THE  
ALABAMA BASED CIVILIAN MILITARY ASSISTANCE (CMA) ORGANIZATION

ON 19 JAN POSEY VISITED

THIRTY-NINE (39) MEN AT THE HOUSE

IN ADDITION TO FULL  
MILITARY EQUIPMENT FOR THIRTY-NINE, AN UNSPECIFIED AMOUNT OF  
M-60 LIGHT MACHINE GUNS WOULD BE PROVIDED BY POSEY TO SUPPORT  
TRAINING OF THE SOUTHERN ANTI-SANDINISTA FORCES.

5563

REVIEWED FOR RELEASE  
Date 31 MAR 87  
HSC SSC

~~SECRET~~  
UNCLASSIFIED

22 JAN 15

POSSIBLY PARTICIPATE IN A  
MIRAN AD... MATERIAL CAMPAIGN FOR SUPPORT OF  
THE ANTI-SANDINISTA CAUSE. WAS UNDER THE IMPRESSION THAT  
TOM POSE... WOULD ALSO PARTICIPATE IN THE MIAMI SUPPORT  
CAMPAIGN.

3952

4. A LARGE SEA SHIPMENT CONTAINER  
OF SUPPORT MATERIEL IS READY FOR DELIVERY  
PACKED AMONG CLOTHING SUPPLIES WITHIN THE CONTAINER WOULD BE  
UNSPECIFIED WEAPONS.

7. FILE:  
4-82. ALL SECRET.  
END OF MESSAGE

DECL OADR DRV HUM

SECRET

A

DO

48466

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Date 1/23/85

FM BIRMINGHAM (2-28)(P)

TO DIRECTOR ROUTINE *5:00 PM*HOUSTON ROUTINE *- 11:23*LOS ANGELES ROUTINE *8:37*MEMPHIS ROUTINE *9:34 PM*

MIAMI ROUTINE -

MOBILE ROUTINE *6:03 PM*NEW ORLEANS *11:00 PM*

BT

UNCLAS

ATTN SSA JOHN J. NEWMAN, RM. 425F, CRIMINAL INVESTIGATIVE DIVISION,  
DOMESTIC TERRORISM UNIT, FBIHQ

THOMAS VINCENT POSEY, AKA THOMAS V. POSEY, TOMMY POSEY; NEUTRALITY  
MATTER - EL SALVADOR, NICARAGUA; OO: BH.

RE BH TELETYPES TO BUREAU, JAN. 15, 1985, AND JAN. 22, 1985.

FOR INFO OF FBIHQ AND RECEIVING OFFICES, SUBJECT WAS INTERVIEWED  
AT THE HUNTSVILLE, ALA., JETPORT ON JAN. 22, 1985, AND ADVISED AS  
FOLLOWS:

① - Birmingham

GLH:mjl

(1) *mf**2-28-125*

SEARCHED \_\_\_\_\_ INDEXED \_\_\_\_\_

SERIALIZED *f* FILED *f*Approved: *CLH*Transmitted *006*

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(Time)

Per *SD*

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FBI

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PAGE TWO BH 2-28 UNCLAS

HE FLEW TO WASHINGTON, D.C., ON JAN. 11, 1985, AND WAS THERE UNTIL JAN. 14, 1985. ON JAN. 14, 1985, HE FLEW TO COSTA RICA AND WAS THERE UNTIL HE RETURNED HOME ON JAN. 20, 1985. HE IS PRESENTLY FLYING TO DETROIT, MICH., TO APPEAR ON A LOCAL TV TALK SHOW (NAME NOT RECALLED). WHILE IN DETROIT, HE ALSO ANTICIPATES BEING INTERVIEWED BY A CANADIAN REPRESENTATIVE OF THE CBC.

ON HIS RECENT TRIP TO WASHINGTON, D.C., HE MET WITH LARRY SPIVEY AND SEVERAL OTHER INDIVIDUALS, WHO HE WOULD NOT OR COULD NOT NAME. HE INDICATED THAT THESE INDIVIDUALS WERE CONNECTED WITH THE U. S. GOVERNMENT BUT DECLINED TO NAME WHICH AGENCY. HE DID STATE, HOWEVER, THAT HE DID NOT MEET WITH ANY FBI PERSONNEL DURING THIS TRIP. THE SUBJECT INDICATED THAT HE DISCUSSED THE SITUATION IN CENTRAL AMERICA WITH THESE INDIVIDUALS AND THAT HIS TRANSPORTATION AND LODGING COSTS WERE "TAKEN CARE OF" BUT HE WAS NOT CERTAIN EXACTLY WHO HAD PAID FOR THESE EXPENSES.

THE SUBJECT ADVISED THAT HE WAS IN COSTA RICA FOR SEVERAL DAYS, BUT HE WOULD NOT GO INTO ANY DETAIL CONCERNING HIS TRIP TO THAT COUNTRY.

THE SUBJECT OPENLY DISCUSSED THE BOWMAN ACT AND SAID THAT WHEN IT EXPIRES ON FEB. 28, 1985, "ALL HELL IS GOING TO BREAK LOOSE IN

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PAGE THREE BH 2-28 UNCLAS

CENTRAL AMERICA," BUT HE WOULD NOT EXPOUND ON THIS STATEMENT.

HE STATED THAT WHILE IN WASHINGTON, D.C., HE LEARNED THAT FOUR ANTI-CASTRO CUBAN GROUPS WERE INTERESTED IN HELPING ESTABLISH A "SOUTHERN FRONT" IN SOUTHERN NICARAGUA. HE IDENTIFIED THESE GROUPS AS: 1) CUBAN BRIGADE 2506; 2) CUBAN LEGION (WHOSE LEADER IS JOSE COUTIN); 3) OMEGA 7; 4) ALPHA 66. ALSO COMBINING TO ESTABLISH THIS SOUTHERN FRONT ARE SUPPOSEDLY THREE OTHER ORGANIZATIONS KNOWN TO THE SUBJECT: 1) UNITED NICARAGUAN INDEPENDENT REVOLUTIONARIES (UNIR); 2) FDN; 3) MISSOURI INDIANS OF NICARAGUA.

THE SUBJECT ALSO ADVISED THAT TEN AMERICAN INDIAN CHIEFS WERE TO FLY DOWN TO CENTRAL AMERICA WITH MACO STEWART (OWNER OF STEWART OIL CO., HOUSTON, TEXAS) TO DISCUSS THE POSSIBILITY OF THEIR TRIBES SENDING SUPPLIES TO THE MISSOURI INDIANS OF NICARAGUA. THE SUBJECT DID NOT KNOW THE NAMES OF ANY OF THE CHIEFS OR THEIR TRIBES. HE STATED THAT THESE SUPPLIES, IF THEY ARE, IN FACT, SENT, WOULD BE HANDLED BY HIS ORGANIZATION, THE CMA.

SUBJECT EXPRESSED SURPRISE THAT THE CASE ON HIMSELF AND THE CMA WAS STILL ONGOING. HE STATED THAT LARRY SPIVEY AND OTHER UNNAMED INDIVIDUALS IN WASHINGTON, D.C., HAD ASSURED HIM THAT IF HE CONTINUED TO COOPERATE AND TO PROVIDE INTELLIGENCE INFO RE CURRENT

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PAGE FOUR BH 2-28 UNCLAS

DEVELOPMENTS IN CENTRAL AMERICA, AS WELL AS ANY NARCOTICS OR ESPIONAGE INFO HE LEARNS ABOUT, THAT THE "NEUTRALITY MATTER" WOULD BE CLOSED.

SUBJECT STATED THAT HE MIGHT FLY TO WASHINGTON, D.C. ON JAN. 23, 1985, FROM DETROIT, BUT HE WAS NOT CERTAIN OF THIS FACT AT THE PRESENT TIME. HE INDICATED THAT WHEN HE RETURNS HOME, HE WILL RE-CONTACT SA GWYNNE L. HUPFER.

THE ABOVE IS BEING PROVIDED FOR INFO PURPOSES.

BH WILL CONTINUE TO MAINTAIN CONTACT WITH THE SUBJECT AND MONITOR HIS ACTIVITIES.

BT

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1 supply, taking supplies, flying, everything like that.

2 You got U.S. Customs letting everything go  
3 through, you know, the FBI, you know talked to them,  
4 American Embassy knew about it.

5 I mean nobody said no. Everybody  
6 encouraged it.

7 Q You never told the FBI about the Rusrus  
8 trip, did you?

9 A Eventually, yes, sir.

10 Q Eventually, but not at the time?

11 A I didn't know about it at the time as to  
12 what -- are you talking about the trip -- or what  
13 happened when they were down there?

14 Q No. Before Jack Terrell left for Rusrus  
15 with the men that you got him you never told the FBI,  
16 did you?

17 A No, sir. Because I felt like Mr. Cwen was  
18 taking care of that.

19 Q Okay. And likewise you never told the FBI  
20 about the November, '64 training trip to Las Vegas.

21 Correct?

22 A No, sir. They never did come to ask me.

23 Q Did anyone at any time ever promise you  
24 that you would not be prosecuted for --

25 A Yes.

0554

1 Q -- your activities on behalf of the  
2 Contras?

3 A Not prosecuted. But I mean I was promised  
4 by Larry Spivey and he also made a phone call to the  
5 FBI Agent, Gwen Tufler, in February from  
6 Washington D. C. that once Edmond Neese took office,  
7 all the computers would be erased because my complaint  
8 at that time was everytime we would come back in the  
9 Country, we was getting detained, harassed, missing  
10 flights and everything else for no apparent reason than  
11 we felt unjust harassment.

12 Q You're saying there was an alert for you  
13 in the Customs computer?

14 A Yes.

15 Q And when you came through Customs, they  
16 would stop you. Right?

17 A Yes.

18 Q And search your luggage?

19 A Yes.

20 Q But what I want to know is did anyone ever  
21 say Tommy, you have done a good job for us, you're not  
22 going to be prosecuted?

23 A Not in those exact words. Larry Spivey  
24 said once Edmond Neese was appointed he would take care  
25 of everything.

0555

1                    This was related to FBI Agent Owen Huffer,  
2   also.

3            Q        That was after -- when was that statement  
4   made to you?

5            A        That was when I went to Washington D. C.  
6   with Larry Spivey.

7                    I think that was the 1st of February or in  
8   that time frame or -- I'm not sure. February, I think,  
9   sir.

10            Q        No. Come to think of it, it was January,  
11   wasn't it? It was January.

12            Q        When I went to Washington D. C. and was  
13   supposed to meet Colonel North, that was January.

14            Q        All right. So you are saying that  
15   Spivey -- to the best of your recollection, what were  
16   Spivey's words to you?

17            A        That once -- the exact words basically  
18   said that once Edmond Meese was appointed Attorney  
19   General we wouldn't have no worries.

20            Q        And --

21            A        Everything would be taken care of.

22            Q        Was that only with respect to Customs?

23            A        Well, he said -- the way he said it, no  
24   problems at all, you know, on nothing.

25            Q        Okay.

0556

12218  
Lt. Colonel Oliver North  
NSC  
OEOB 392  
Washington, D.C.

January 31, 1985

Ollie:

The following info came in while you were gone. Thought it was something you should know.

- o Flacko is back in Miami. On Tuesday he met with Steadman Faggoth to work out an arrangement. In essence, Flacko is to assume the responsibility of training the Indians at Rus Rus. Supposedly the Council of Elders will agree to this. There are 4 people in Miami ready to go back to Honduras on Monday with Flacko and his side kick Tieador. Another 11 are supposed to fly into Miami tonight and then they all will go south on Monday and then on to Rus Rus.

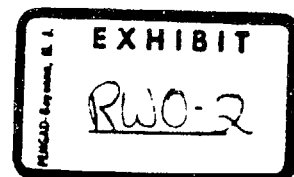
Flacko has been working on getting the support of some of the Cuban community, including: the Cuban Legion and Joe Contine (sp?); the Brigade; the Cuban Independent Movement, which is Montos's group; and Alpha 66. He hopes this support will be both financial and manpower.

Flacko's long term goal is to buildup the Miskito and train them to the point where they can start taking land. The area he wants them to concentrate on is where there is a port and where one of the operating gold mines is. The ultimate plan is to open the port and take the gold mine. Once the port is open a boat would sail from Miami directly to the port with men and supplies, drop them off and take out the gold which is captured.

Flacko is also setting himself up to be the one who handles all financial support for the Miskitos. Thus everything going to them in terms of support from groups in the U.S. goes through him. He and his buddy Tieador then have an opportunity to make a little on the side. At least some of the funds are to go through a company called Delphi Corporation which has P.O. Boxes in Alabama and Texas.

A Texas businessman named Mako Stewart, of Stewart Enterprises, provided Flacko with \$25,000 for financing his last trip and to begin to help the Miskito. Supposedly he is involved with the selling of bonds which supposedly just got approved by the SEC. The \$ from the sales of the bonds will be divided with 60% going to the FDN and 40% going to the Miskito. Mako will funnel the 40% through Flacko, who he thinks walks on water.

All this is being done under the guise of CMA.



Flacko came back from Rus Rus saying that there now would seem to be have a total effective fighting force of some two to three thousand. There are supposed to be another 600 to 1000 weapons going unused. Some of them are rusting because there is no oil: "they have more than what they know what to do with."

Flacko met with the Honduran consul in Miami today and he is supposed to be going back to Honduras in the next day or so to ensure Flacko and his people can get in on Monday.

Would seem a good idea to deal with Flacko as soon as possible. Probably will not be scared off as he believes he has done nothing to violate the neutrality act. If he is held probably will still move forward after he is let out, unless he can be locked up for a good long time. Best bet might be to dry up his funds, have someone talk to him about National Security and put the word out that he is not to be touched. But, if possible it might be wise to do this in some way that doesn't ruin whatever pr potential CMA has for the good of the cause.

Posey has been doing the best he can to either sit on Flacko or deal him out, but that is not possible because right now Flacko knows too much and it would do no one any good if he went to the press. He has got to be finessed out.

- o. I suggested to Sparkplug that he might want FR to go south for the meeting to provide expert counsel on security as that is his speciality. If he is available, it would be worth the trip. I don't believe leaving it to Robelo's people is the best idea. His group is probably as infiltrated as the rest. Such a meeting would be a perfect target to eliminate a lot of problems and it can be done easily by a dedicated few.
- o. Spivey is back in California pulling together loose strings. If the S is found he will probably go down on Monday. He wants to spend the majority of his time with the color crew that will come out of Miami. If necessary I can babysit him while our other friend watches over a news crew.

01

APR 85

REVIEWED FOR RELEASE

Date 24 March 87

HSC + SSC

C1110 820

UNCLASSIFIED

**UNCLASSIFIED**

C 0846

THE DELIVERY FLIGHTS FROM  
APPROXIMATELY THREE UNIDENTIFIED CIVILIAN MILITARY  
ASSISTANT (CHAI) PERSONNEL SUPPORTED THE AIR DELIVERIES.



DEPARTMENT OF THE TREASURY  
UNITED STATES CUSTOMS SERVICE

Special Agent in Charge

RAC: C-3

# REPORT OF INVESTIGATION

|   |  |   |
|---|--|---|
| TITLE<br>THOMAS VINCENT POSEY<br>dba CIVILIAN MILITARY ASSISTANCE<br>Decatur, Alabama | DATE OF REPORT<br>November 12, 1985                              | FILE NUMBER<br>M003UR453011   |
|   | CUSTOMS DISTRICT   |   |
|   | PERIOD OF INVESTIGATION<br>September 6, 1984 - November 12, 1985 |   |
|   | DATE OF ASSIGNMENT<br>September 6, 1984                          | CASE STATUS<br><input type="checkbox"/> OPEN <input checked="" type="checkbox"/> CLOSED |
|   | VIOLATION  |   |

CHARACTER OF INVESTIGATION

Possible Violation of the International Traffic in Arms Regulations OPEX Class I

OFFICE OF ORIGIN AND RELATED FILE NUMBER(S)

Strategic Investigations Division, Washington, D.C.

SYNOPSIS

On September 6, 1984, information was received from personnel assigned to the Strategic Investigations Division, which indicated that one THOMAS VINCENT POSEY dba the CIVILIAN MILITARY ASSISTANCE organization, was violating the International Traffic in Arms Regulations relative to shipments of munitions items to Nicaragua.

Cooperative investigative action with Special Agents of the Federal Bureau of Investigation, along with Special Agents assigned to the Office of the Special Agent in Charge, New Orleans, Louisiana, included investigative interviews as well as export searches of material being shipped to Nicaragua. During the course of the investigation, it was determined that POSEY and his organization were furnishing apparent non-military supplies to anti-Sandinista Forces, identified as Contras, in the country of Honduras.

Due to the apparent lack of munitions violations, as well as, the exemption provision included in the Nicaraguan Embargo, allowing shipments of supplies to Contra Forces, no additional investigative action is contemplated.

|  |  |
|--|--|
| DISTRIBUTION<br>ORIG: SAC/NO<br>CC: SAC/NO<br>INTEL/HQ/MO/NO<br>HQTRS/E:I:S:M<br>DC/SD | SIGNATURE OF REPORTING AGENT<br><i>Rodney A. Hale</i><br>Rodney A. Hale, Special Agent       |
|  | APPROVED (SIGNATURE)<br><i>Gary L. Small</i><br>Gary L. Small, Asst. Special Agent in Charge |

Office of Investigations—Planning and Inspection Division

Customs Form 23 (0404)

0142



UNCLASSIFIED

| ROUTING AND TRANSMITTAL SLIP                                  |                      | Date             |
|---|----------------------|------------------|
| TO: (Name, office symbol, room number, building, Agency Post) |                      | Initiate Date    |
| 1.  | MARK RICHARD         |                  |
| 2.  |                      |                  |
| 3.  |                      |                  |
| 4.  |                      |                  |
| 5.  |                      |                  |
| Action  | File                 | Note and Return  |
| Approval  | For Clearance        | Per Conversation |
| As Requested  | For Correction       | See Me           |
| Circulate   | For Your Information | See Me           |
| Comment   | Investigate          | See Me           |
| Coordination  | Justify              | See Me           |

REMARKS

PLEASE GET ON TOP OF  
THIS. D.C.T. IS GIVING A  
HEADS UP TO THE N.S.C.  
HE WOULD LIKE US TO  
WANT TO SEE IT.

CON KELLNER, AND NOT  
WHAT IS UP, AND ROUTINE  
THAT THAT DECISIONS SHOULD BE HANDLED.

DO NOT use this form as a RECORD of approvals, concurrences, disapprovals, clearances, and similar actions.

|                                       |                |
|---------------------------------------|----------------|
| FROM: (Name, org symbol, Agency Post) | Room No — Bldg |
| STEPHEN S. TROTT                      |                |
| ASSISTANT ATTORNEY GENERAL            | Phone No       |
| CRIMINAL DIVISION                     |                |

FORM 41 (Rev. 7-78)

UNCLASSIFIED

# ROUTING AND TRANSMITTAL SLIP

Date

TO: (Name, office symbol, room number, building, Agency, Post)

Initials

Date

1.

2.

3.

4.

5.

| Action       | File                 | Note and Return  |
|--------------|----------------------|------------------|
| Approval     | For Clearance        | Per Conversation |
| As Requested | For Correction       | Prepare Reply    |
| Circulated   | For Your Information | See Me           |
| Comment      | Investigate          | Signature        |
| Coordination | Justify              |                  |

## REMARKS

3/26/76 ~~spoke to Tillner~~

~~PISA not back yet from NO.~~

*File - Contingency folder.*

Partially Declassified/Released on 27 July 1997  
Under provisions of E.O. 12356  
by B. Rasmussen, National Security Council

*[Handwritten signature]*

2280

DO NOT use this form as a RECORD of approvals, concurrences, disapprovals, clearances, and similar actions

FROM: (Name, office symbol, Agency, Post)

Room No.—Bldg.

Phone No.

OPTIONAL FORM 41 (Rev. 7-76)

Prescribed by GSA  
FPMR (41 CFR) 101-11.208

1985 O - 441-174 4251

UNCLASSIFIED

*3-1-10-2*

UNCLASSIFIED

31 APR 86

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NR

- Asst. U.S. Attorney / 2 FBI + Resident Agent
- Dave Carbo
- Terrell (Rako)
- Carr - Guss to [REDACTED]

4 APR 86

UNCLASSIFIED

TO: WILLIAM

APRIL 7, 1986

FROM: TC

SUBJECT: RECENT TRIP

### INVESTIGATION

The investigative team was headed by Jeffrey Feldman, Assistant U.S. Attorney, Southern District of Florida. He had with him a Special Agent from Panama and two from Miami. They are Kevin Currier and George Kiszynski, who is with the Anti-Terrorist Task Force. In the past he has followed and been assigned to watch Felipe Vidal.

According to [REDACTED] Feldman looks to be wanting to build a career on this case. He even showed [REDACTED] and the Ambassador a diagram with your name at the top, mine underneath and John's underneath mine, then a line connecting the various resistance groups in C.R..

Feldman stated they were looking at the "big picture" and not only looking at a possible violation of the neutrality act, but at possible unauthorized use of government funds.

They went several times to the prison to question the five in jail. They tried to talk with John, but he was advised not to talk with them unless he had a lawyer present. John arrived in the U.S. on Saturday, so they will probably try to track him down.

Attached are several letters John has received from the people in jail. There also is a notarized statement by one Steven Carr, who has done most of the talking. In it he states Martha Honey and Tony Avirgan told him what to say. These two "reporters" are nothing more than disinformation experts, and they are after me and you.

If and when I am contacted by the FBI I will not answer any questions without an attorney present. Even then, I will not answer any questions. It is the only way I can see to stem the tide.

Perhaps it is time I retire from this line of work and focus on another part of the world and against another group of Godless communists.

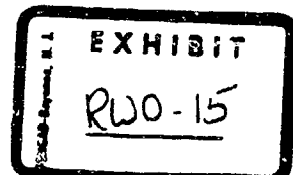
### UNO POLITICAL SITUATION

Had a lengthy discussion with Alfonso. He and Arturo are going to give it one last try for meaningful reform in UNO. If some changes are not made, they both see no reason to continue.

Among the changes, and these he considers minor, are the removal of Mario and Bosco. If these cannot be accomplished, he believes all is lost.

He is furious with Bermudez and believes there must be some action taken. Don't believe he'll demand his removal, but will want some response to the Front Line report. Believes Aristédes must go, or at least his power considerably diminished.

He arrives in Miami on Tuesday and then there is a meeting in Miami on Wednesday with all the boys. Both he and Cruz would like something positive to come from it.



## Memorandum

UNCLASSIFIED



To : SAC, WFO [REDACTED] (P) (C-8)

Date 7/18/86

From : SA STEPHEN A. MCCOY

Subject : JACK REYNOLDS TERRELL, AKA  
COLONEL FLACO;  
[REDACTED]

OO:WFO

SECRET

This communication is classified "Secret" in its entirety.

On 7/18/86, SA STEPHEN A. MCCOY reviewed a CBS Evening News Broadcast tape, dated 7/14/86, which included a brief segment on OLIVER NORTH. NORTH was identified as a staff member with the National Security Council (NSC) and was further alleged to provide liaison between the White House and the "Contras" fighting the Nicaraguan Government. The segment on NORTH followed a CBS overview of:

- 1) The history of U.S. Government aid to the "Contras"
- 2) The suspension of U.S. aid to the "Contras" following disclosure of alleged CIA and "Contra" improprieties,
- 3) The recent legislative aid package approved for the "Contras" and
- 4) The past efforts of intermediaries (both private and government) to funnel aid to the "Contras."

Regarding the latter point, NORTH was alleged to have been involved in circumventing the previous congressional ban on aid to the "Contras."

A "file film" picture of NORTH was shown during the broadcast, from which a "freeze frame" photograph was obtained.

The CBS broadcast did not make any references to captioned subject or to any other individuals known to be involved in captioned matter.

~~SECRET~~

Classified by: G-3  
Declassify on: OADR

(2-WFO)

SAM:cjcq  
(2)

UNCLASSIFIED

|                       |         |
|-----------------------|---------|
| SEARCHED              | INDEXED |
| SERIALIZED            | FILED   |
| JUL 18 1986           |         |
| FBI-WASH FIELD OFFICE |         |

4308

UNCLASSIFIED

5-112+115 2,115

1  
FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/28/86

Special Agents (SA) FLOYD H. PLUMMER and GERALD D. PERALTA, JR., conducted a surveillance of Room 5323 at the MARRIOTT HOTEL located on LeJeune Road, and commenced this surveillance at 7:35 a.m. The sole occupant of the hotel room, JACK TERRELL, was observed departing the room at 11:06 a.m., carrying a brown briefcase and small black overnight bag. Other Agents located in the lobby of the hotel advised SA PLUMMER by radio that TERRELL was observed checking out of the hotel and then departing the hotel area in a courtesy bus, apparently traveling to MIAMI INTERNATIONAL AIRPORT. At 11:35 a.m., the regular MARRIOTT maid was observed entering Room 5323 in order to clean it. At this time SA PLUMMER also entered Room 5323 and conducted a search of the various trash receptacles located in the room.

In addition to the various gum wrappers, cigarette butts, cigarette packages deposited in the trash container, a copy of the MIAMI HERALD, morning extra copy, Thursday, July 24, 1986, was found in the trash container. A cursory research of the newspaper indicated that an article had been torn from page 16A of the main section of the newspaper. Another copy of the same edition of this newspaper was obtained and this other copy indicated the torn newspaper article dealt with an opinion by Admiral JOHN POINDEXTER in which he stated that the relationship between the Nicaraguan Contras and Colonel OLIVER NORTH did not violate a congressional prohibition on United States involvement with the rebels.

Two MARRIOTT note pads were observed on a table in the room and appeared to have indented writing upon them. This indented writing appeared illegible to the naked eye. In addition to the two note pads, four pages of MARRIOTT stationery were also obtained and, to the naked eye, appeared to have no indented writing.

The above newspaper, note pads, and stationery, were turned over to the case Agents in this matter.

SECRET

Investigation on 7/26/86 at Miami, Florida  
by SAs FLOYD H. PLUMMER and G.P.  
GERALD D. PERALTA, JR. FHP:mmt Date dictated 7/28/86

UNCLASSIFIED

~~SECRET~~

March 28, 1986

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN M. POINDEXTER *JP*  
SUBJECT: Terrorist Threat: Terrell

*PR* N 45896


Issue

Anti-contra and anti-U.S. activities by U.S. citizen, Jack Terrell.

Background

Several months ago, a U.S. citizen named Jack Terrell became an active participant in the disinformation/active measures campaign against the Nicaraguan Democratic Resistance. Terrell has appeared on various television "documentaries" alleging corruption, human rights abuses, drug running, arms smuggling, and assassination attempts by the resistance and their supporters. Terrell is also believed to be involved with various Congressional staffs in preparing for hearings and inquiries regarding the role of U.S. Government officials in illegally supporting the Nicaraguan resistance.

Terrell was first interviewed by the FBI on March 5, 1986, as a cooperating witness in a neutrality investigation concerning alleged activities of the Civilian Military Assistance (CMA) group -- including weapons and narcotics smuggling, plotting the assassination of the U.S. Ambassadors to Costa Rica, Lev Tanbs, and bombing his embassy.



Discussion

The Operations Sub-Group (OSG) of the Terrorist Incident Working Group (TIWG) has made available to the FBI all information on Mr. Terrell from other U.S. Government agencies. Various government agencies -- Customs, Secret Service, the Bureau of Alcohol, Tobacco and Firearms -- have information on some of Terrell's activities and the FBI is currently consolidating this information for their investigation.

~~SECRET~~

Declassify: CADR

**SECRETED**

Partially Declassified/Released on 20 April 1987

Under provisions of E.O. 12356

By: U. S. Policy, National Security Council

1226

~~SECRET~~

2

The FBI reports that Terrell went to Miami, coincident with your visit on Wednesday. The FBI, in concert with the Secret Service, has Terrell under active surveillance.

The FBI has advised that the non-U.S. Government supporters of the Nicaraguan resistance have been particularly helpful in this investigation.

N 458

It is important to note that Terrell has been a principal witness against supporters of the Nicaraguan resistance both in and outside the U.S. Government. Terrell's accusations have formed the basis of a civil law suit in the U.S. District Court in Miami and his charges are at the center of Senator Kerry's investigation in the Senate Foreign Relations Committee. Since it is important to protect the knowledge that Terrell is the subject of a criminal investigation, none of those with whom he has been in contact on the Hill have been advised.

Prepared by:  
Oliver L. North

~~SECRET~~

UNCLASSIFIED

~~SECRET~~